

**A Cabinet Secretary  
Looks Back**



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**FROM POONA TO  
THE PRIME MINISTER'S OFFICE**

# **A Cabinet Secretary Looks Back**

B.G. Deshmukh



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To

Sumati, Vijaya and Jayati  
whom I lost on the way

I would not have come so far without  
their companionship



# EARLY YEARS



# 1

## I Join the Indian Administrative Service

OUR FAMILY CAME FROM NIZAMPUR, A VILLAGE NEAR MAHAD NOW ON the Mumbai-Goa road. My great-grandfather Sitaram came to Poona in the latter part of the nineteenth century. He joined the revenue department and rose to the post of *mamalatdar* (tahsildar). He acquired property in Munjaba Lane in Narayanpeth in Poona. As was typical of those days he helped many of his close relations and many of them actually lived with him and were supported by him. After he died his widow disposed of many properties and other moveable assets and we became a typical middle-class family. My grandfather Bhikaji joined the postal department and was in charge of the important Military Post Office at Kirkee where my father, Gopal, was born in 1896. Grandfather made steady progress and was promoted as inspector, but as he did not want to leave Poona he resigned from service and came to live in our family home in Narayanpeth and thereafter lived on the estate inherited by him from his father.

My father had two sisters and four brothers, four stepsisters and one stepbrother. He was a studious and industrious boy and joined the Agriculture College after matriculation. As was the custom then, he married my mother, Kamalabai, in 1914 when she was only fourteen. Her father, Mahadeo Deshpande, was in the Department of Excise. My father stood first in the final examination of the Bachelor of Agriculture in 1917 and the state government took him in the agriculture department, as was the practice then. He applied for a post advertised for superintendent of the Botanical Gardens in Singapore and was selected and sailed for Singapore that year itself.

He had a chequered career in the state agriculture department. He returned to India after three years and held various posts in Poona. He also went to the Andaman and Nicobar Islands as superintendent of the Botanical Gardens there. These were, however, the years of Gandhiji and India's freedom struggle and no sensitive Indian could remain unaffected even though he was in government service. He, therefore, started wearing khadi clothes and also spinning at home which, of course, did not escape the attention of the government.

I was born in March 1929 in Ahmednagar where my maternal grandfather was posted. My siblings are two brothers, Vasudev and Bhaskar, and two sisters, Malati and Prabha. My father was posted in Alibagh between 1928 and 1930 and my mother took part in the salt satyagraha in 1930. Since I was a child she had to take me with her and I was thus involved in the freedom fight from the tender age of two.

There was a world recession in the 1930s and the state government started retrenchment to reduce government expenditure. As my father had become a marked man, he was retired in 1933. Since his seniors thought well of him he was given a post with the district local board at Satara from 1934 to 1936. At the end of this, he decided to start a consulting private practice for gardens and plantations and moved to Poona in 1936 to live in our family house in Munjaba Lane. And here I grew up as a boy and was educated till I left to join the IAS in 1951. These were hard and difficult days for my parents but they looked after us with care and affection. We had a frugal yet decent living as a typical middle-class family.

After finishing primary school in the Practising School of the Government Teachers Training College, I joined the NMV High School in 1938 and passed the matriculation examination in 1945. The school years were again heavily influenced by the freedom movement. My sisters and I also joined the Rashtra Seva Dal and attended its exercises and sessions regularly. Bhau Ranade and Nattu were in charge of the Dal; while Jedhe and Gadgil used to be very popular speakers. Gandhiji announced the Quit India Movement in 1942 and the whole of Poona was naturally affected. One of our senior teachers, Pant, openly came out in the street in front of the school and asked us to join the movement. We participated in our own way by cyclostyling and circulating Congress pamphlets. This was frowned upon by the government and once we were caught by the police and taken to the city police station called Faraskhana. This was an awesome building with

dark passages. We were taken to the officer in charge. He took pity on us but told us not to do this again and showed us a heavily studded policeman's slipper that he said would be used next time to teach us a lesson. In our chemistry class we learnt that potassium permanganate crystals mixed with glycerine cause fire and we decided to use this to damage post-boxes. We put potassium permanganate in an open envelope, and dropped it in the post-box with a small open bottle filled with glycerine. Next day when we found that our trick had succeeded, we were very enthusiastic and told everybody. When my father heard this he warned us not to do it again. We used to see English films at the West End cinema. At the end of a show, the British national anthem was played when all the Britishers, including officers and men of the army, used to stand. At one such show we made it a point not to stand but defiantly moved to get out. Next time we went to the cinema we found that the doors were not opened till the national anthem was played to the end. My eldest brother, Vasudev, was a wireless buff and had assembled a radio receiver on which we used to listen clandestinely to the Singapore Broadcasting Station and I remember one broadcast of Subhas Chandra Bose himself.

Those were the days when teachers looked after good students without expecting any fees. It was the classical teacher – student relationship. We had some very outstanding teachers such as P.G. Shasrabuddhe for Marathi and Godbole for science. D.V. Navathe took special classes at his residence for Sanskrit. Our superintendent, N.G. Naralkar, introduced a large number of innovative ideas and literally became a father figure for many of us. I used to get a number of prizes in the annual examination and I remember one was an Agfa box camera that then cost a sum of Rs 5. I also won the Middle School Scholarship in 1941, again a princely sum of Rs 5 a month that was enough to have a good time for the whole month. There were many picnic spots near Poona such as Lonavala and the Karla caves and cycling holidays were very popular. We would cycle down the ghats from Lonavala to Khopoli but as cycling up again was very difficult, we would hold on to the goods trucks climbing up the ghats and pay the driver two annas for the lift.

Poona in those days was a relaxed and lively place. The surrounding hills were full of trees and the summer weather was so pleasant that there were no ceiling fans in government buildings. The monsoon season was of course famous, when the whole government shifted to Poona. The state legislature would meet in the Council Hall. The

governor's house was in Ganeshkhind. The racing venue also shifted from Bombay to Poona where there was a fine racecourse and a Turf Club building.

It was also a favourite place for middle-class parents to come in April and May to arrange their daughters' marriages and the city would be full of marriage processions and marriage feasts. There were at least four or five days of feasting for a marriage and one could literally not eat at home for a month or more. But many Poona residents themselves often left the city so as to escape the influx of guests who just stayed on.

The ten-day Ganpati festival in Poona was famous and its public celebration was started by Lokmanya Tilak. It would be a feast of classical music, with many singers coming to Poona especially for it. The sessions usually started after dinner at about 10 p.m. and continued for hours till about 3 a.m. There were many cinema theatres and, with special concessional shows on Sunday mornings with one anna tickets, these were mostly patronized by students.

After I matriculated in 1945 I joined Fergusson College with many of my friends. After the first-year science examination there used to be three streams – engineering, medical and general. In 1946 Pandit Nehru had just formed the government that was later joined by the Muslim League. Many of the students therefore decided to take the medical stream in the inter-science class to become doctors and do social service. With good marks in the final examination in 1947 I could have easily joined medical college. But this was not to be. India would become independent in August and Pandit Nehru was going to be the first Prime Minister of India on 15 August. We were a Congress family and my father consulted an old class friend N.V. (Kakasaheb) Gadgil and told me to change the course of my studies. He asked me to take the bachelor of science examination and then the civil service examination so that I could be a civil servant in Pandit Nehru's government. And it was in this way that my life changed.

Tragedy struck on 30 January 1948 when Gandhiji was assassinated by Nathuram Godse. Poona was especially targeted as Nathuram came from the city. The Brahmin area became the focus of attacks from the non-Brahmin population. A mob came into our lane looking for the house that Nathuram used to visit. Our house was just opposite but we were spared as we had a Congress flag hoisted. S.G. Barve, the district magistrate, with rare imagination divided the city with a well-protected



and guarded boundary to save the Brahmin side of the city. Even then Poona went through a real testing time. The situation remained tense for quite some time as many Brahmin families came into the city from semi-urban and rural areas of western Maharashtra where they became targets of mob fury.

I took my B.Sc. (Zoology Honours) with botany as the subsidiary subject in 1949. I could not appear for the IAS that year as I was underage, but it was fortunate as it gave me one full year to study for the civil service examination. At that time, literally, there was no information about the IAS and other services competitive examinations that one could get in Poona. I had, therefore, to write to the Public Service Commission in Delhi for old question papers as well as the scheme of the examination. Candidates appearing for the IAS and IFS examination had to take three subject papers in addition to the compulsory English papers for all, while for the IPS and other services two subject papers were enough. I had to decide on the third subject and consulted G.M. Joshi, an academic friend of my father. At his suggestion I selected Indian history as one could study it by reading and also by going through the previous question papers. The only difficulty was that I was on my own for this. Fortunately, I could draw upon the excellent reference books on history from the Jerbai Wadia Library of Fergusson College. For compulsory English papers I wanted some help and was fortunate to find Professor Khare who lived just opposite Fergusson College. All my efforts to study for the IAS examination may now seem amateurish but there was no alternative as there were no classes or even academics or retired civil servants to guide candidates. As a matter of fact, I was given gratuitous advice not to indulge in this fanciful adventure. The examination was held in September 1950 at the Elphinstone School in Bombay and the number of candidates was very modest.

During this year I continued my academic studies. I joined the M.Sc. zoology course and started working as a demonstrator for the intermediate class in zoology. I qualified in the written examination and was called for the viva voce. The chairman of the Public Service Commission, Banerji, and his colleagues from Delhi came to Bombay and we were called to the Council Hall building. This was an entirely new experience for someone from Poona but fortunately some of my professors were good enough to instruct me on how to appear for the interview. Some of the comments by my relatives were ridiculous. One

of them said that I might be asked to take off my necktie and show that I really knew how to tie it! Fortunately, the interviewing board was very understanding and I felt quite relaxed answering their questions. I came to know later that the viva voce was quite critical and unless you scored a certain number of marks you were not declared successful. (This condition was removed and the marks for the written papers and the viva voce were combined for the final results because it was realized that the qualifying nature of the viva voce was weighted in favour of public school boys and girls.)

The results were declared in February 1951. I stood amongst the first five in the IPS and other services, but was not as high for IAS and IFS as my third subject, history, had pulled me down. Even then I was allotted to the IAS. That year the batch consisted of twenty-three officers. I was the first person to get into the IAS through competitive examination from Bombay State and became a bit of a curiosity in Fergusson College as everyone wanted to know who I was. But the rest of Poona ignored me as my family did not belong to the elite.

## 2

### Metcalfe House and Baroda

*I* HAD TO JOIN METCALFE HOUSE SCHOOL IN MAY. ON 21 MAY I ARRIVED by train and took a tonga to Metcalfe House in old Delhi beyond Kashmere Gate on the bank of the Yamuna. The main building is a fine specimen of British colonial architecture with a huge compound. The IAS Training School was housed not in the main building but in the barracks in the grounds. Each IAS probationer was given a room in those barracks and for the first time I saw the contraption well known as the thunder-box. Hari was an institution in Metcalfe House. He not only ran a small shop where everything we needed was available and that too on credit but, more important, he had a small car that we could always borrow on payment.

S.B. Bapat, ICS, the establishment officer in the home ministry, was the principal and J.D. Shukla, another ICS officer, was the resident vice principal. Syed Munir Khan took law lectures and did his best to make us understand the Indian Penal Code, Criminal Procedure Code and Evidence Act. To him, the Allahabad High Court was the ultimate in wisdom and therefore its decisions in any case were the final truth by which everyone should swear. Allahabad was also well known for another reason – its university's Muir Hostel had always sent its students into the IAS. Of course, the Presidency College in Madras was another close competitor. Unfortunately, Poona did not figure at all anywhere. Another professor taught economics and there were teachers for different languages according to one's allotted state.

I picked up Gujarati as it was spoken in my allotted state of Bombay. The whole atmosphere was relaxed and we did not feel that we had to

learn any academic subject or imbibe any knowledge as such. It was literally a pleasant interval before we went to do fieldwork in the states. Both Bapat and Shukla tried to imbue in us the spirit of civil service by narrating their experiences. We also used to get many guest speakers from the civil services and the armed forces. I was the president of the mess committee and we had regular mess nights where outsiders were invited. H.V.R. Iyengar, General Cariappa and the home minister, Katju, also visited us.

We were given special training in driving and car repairs so that we would not get stranded while touring in the districts. The instructor, Basrur, had his garage in Connaught Place. We were also given lessons in horse riding by the Delhi mounted police. Trotting without stirrups was a very harsh exercise but was necessary to get a good grip on horseback. The name of my horse was Moonshine as he was grey with black dots. It was difficult to control him as he always wanted to go in the front and I was told that this horse was only for the more senior officers in the Delhi Police and was therefore accustomed to lead.

The celebration of 15 August at the Red Fort was a memorable occasion. We went with great enthusiasm to hear Pandit Nehru speak from the ramparts of the fort but were, of course, a part of the home ministry team in charge of looking after the VIPs.

I received a copy of the Assistant Collector's Manual, but as this was more in tune with the days of British rule it had only historical value. One instruction I still remember was never to go without your official peon preceding you because nobody recognizes a young officer, but the peon's face is well known and people will recognize you only as the peon's officer.

As usual we were taken on a See India (*Bharat darshan*) tour in Uttar Pradesh and Rajasthan. For our army training, five of us were attached to the 17 Marathas at Bongaigaon in Bengal on the border of the then East Pakistan. On our way back to Delhi, we stopped at Patna and Gaya as one of our group came from Bihar. In those couple of days we saw for ourselves how landlords lived in India and how their servants were treated as slaves.

We went to call upon the president of India, Rajendra Prasad, when the prime minister, Jawaharlal Nehru, was also present. There was a general discussion and a question-and-answer session. I asked the president of the constitutional position if he did not accept the advice of the prime minister. Both of them looked at each other and the

president said, 'But I am always persuaded by the prime minister to agree with him.'

For ceremonial occasions we had to wear *achkans* and *churidars*. Those of us from the south who were not accustomed to wearing these felt and looked odd. We looked even funnier when we stood up at ceremonial dinners to toast the president of India, but with *jeera* water.

During weekends we would go to various restaurants in New Delhi for lunch and dinner. In the first part of the month when we had just been paid, we would dine royally at Moti Mahal in Darya Ganj or the Gaylord or Nirula restaurants in Connaught Place. But later in the month when we were short of money we used to eat modestly at the South India Boarding House in Connaught Place.

N.V. (Kakasaheb) Gadgil was now a central minister and lived on Pheroza Shah Road. I visited him occasionally and he was keen that his son, Vithal, should join the IAS as Sardar Patel told him that he could be selected through special recruitment. But Vithal was adamant that he wanted to go to England to study and Kakasaheb was thoroughly disgusted.

I still remember my first pay bill. I signed my name in the Devanagari script. Sure enough the treasury officer returned it saying it had to be signed only in English and I had to comply.

Our seven-month stay in Metcalfe House passed and the final exams were over. Our allotment to the states had already come through and three of us, V. Prabhakar, S.M. Ghosh and I, were allotted to Bombay. Before we left Metcalfe House in the last week of January 1952 with nostalgic memories, I was also informed that I would have to report to the collector at Baroda for training.

In Bombay B.G. Kher was the chief minister and M.D. Bhat the chief secretary. After calling on the CM, we called on Morarji Desai. We were, of course, dressed in Western style and Morarji very curtly told us to go across to Khadi Bhandar and purchase *khadi* bush-shirts and trousers and start wearing them instead.

My posting to Baroda district was explained by the revenue secretary who said that since Marathi was my mother tongue I could not be allotted to the Central Division and was therefore being sent to the Gujarati-speaking Northern Division. Accordingly, in February 1952 I reported to the collector of Baroda, L.R. Dalal. He was rather brusque and not sympathetic to young IAS officers as he was one of the last of the ICS officers and did not think much of the successor service. His

head clerk therefore showed me around and explained the working of the collectorate.

Baroda was the capital of the state ruled by the Gaikwads. It was a lovely city full of palaces and magnificent buildings, such as the Baroda University, the Music School and Art Gallery and the two palaces, Laxmi Vilas and Makarpura. The city had not developed much beyond the railway line. There was only the Circuit House and a few bungalows and then the racecourse.

As a Third Class Magistrate I was attached for training to a First Class Magistrate but my experience was far from enlightening. After both the parties were heard and also their lawyers, I thought that the court would rise up and give judgement the next day, but the Magistrate did nothing of the sort. He quietly opened the drawer of his table, took out a paper and read the operative part of the judgement and said that full judgement would be given later on!

After a short while I was shifted to Chota Udaipur, a subdivision in charge of Gyanchand Baveja, an IAS officer. A subdivision is called Prant in Bombay and the Subdivisional Officer, a Prant Officer. It had four *talukas*. Another IAS officer, Easwaran, also an Assistant Collector, was in charge of only one *taluka* for training; and I was the Supernumerary Assistant Collector without any charge but attached to Baveja for training. He was a very thorough officer and initiated me into the working of the Revenue Department.

The three of us, all IAS officers, got on well together and spent many evenings playing cut-throat bridge.

Scarcity was declared in Baroda district and we had to go and inspect the Chota Udaipur subdivision. This was my first exposure to poverty and starvation. We had to make arrangements for drinking water and open community kitchens. This area was a tribal taluka and the people were not only poor but also subjected to the tyranny of the village leaders. This was a very effective initiation for any young IAS officer to see the real rural India and how the poor lived.

Chota Udaipur was a small state connected by rail to Baroda through the narrow-gauge line to Dabhoi. There was a fine palace but the young maharaja was schooling in Ajmer and the regent was his uncle, Nana Maharaja. I was allowed to use the state railway saloon but the railway staff was still accustomed to the maharaja's rule and it sometimes created highly awkward situations. Once while driving I found the railway gate closed as I could see a train coming from a distance. But

the guard at the gate just threw open the gate when he saw me wearing a sola hat driving a car. The guard, when admonished, said with a straight face, 'But, saheb, how could I stop you?' I took over the well-furnished Princes Villa for my residence. But there were many pigeons and bats and my superstitious cook from Poona thought the house was haunted!

A few months later after passing the first departmental examination I was promoted to hold independent charge of one taluka and given Sankheda to look after. And here I started learning the revenue administration and especially village records. Anderson's Manual was our bible but since the revenue records had not fully shifted to the so-called British pattern from the old Baroda pattern, I found it difficult to learn the system. *Jamabandi* is the process by which revenue accounts for a taluka are inspected and closed. I did my first *jamabandi* exercise for the Sankheda taluka but inspecting the village revenue records was difficult as they were not according to Anderson's Manual. I would camp at Sankheda as it was some distance from Chota Udaipur. From the taluka headquarters I would tour as many villages as possible on horseback but then come back for night halts. Sankheda is famous for its lacquer furniture and I tried to give the artisans all the help I could and also streamline their marketing links with Baroda. Sankheda was a part of the old Baroda State, and I could see the benevolent and well-run *Rayat*-oriented regime of Sayaji Rao. Most of the villages had panchayat buildings, a school and a library. People who planted fruit trees along the roads were entitled to collect the fruit and so most of the roads had shady trees along them. Sayaji Rao knew that government inspectors lived off the village people. He had therefore assigned some government lands that were cultivated by the village as a whole which then sold the produce and used the money for looking after touring government servants.

As a magistrate I heard cases from the Sankheda taluka. The first case was of causing public obstruction. The head constable found the accused putting his coir-woven bed on the street and thus obstructing the public. The accused pleaded that he had kept his bed (*khatiya*) in the sun as it was full of bugs. And for the first time I was taught the principle of *mens rea* by a fresh young lawyer, that is, it is not the action that is important but the intention behind the action, and in this case there was no criminal intention to obstruct the public. I acquitted the accused, but the police were not happy as they were given a certain quota for filing cases and getting convictions and I was not seen to be

sympathetic to them. In another case, however, I convicted the accused and his lawyer went in appeal to the district judge and said that 'the learned magistrate has not applied his mind and therefore has come to a perverse conclusion'. I was very agitated as I thought that I had written a well-reasoned judgement, but later I was told not to take such observations seriously as they were the usual legal jargon used by lawyers.

I also had my first experience of political interference in administration. I had transferred one *talathi* as he had committed gross mistakes in maintaining the village records. Apparently, he had influential connections and the local MLA asked me to cancel the transfer. I explained why I could not grant his request and complained to the collector but I heard nothing further.

At the end of 1952 I passed the higher departmental examination and was now eligible to become a full-fledged subdivisional prant officer on my own.



# 3

## Assistant Collector, Bhiwandi Prant

AS I WAS ALLOTTED TO THE NORTHERN DIVISION I WAS EXPECTING TO be posted as prant officer in charge of a subdivision in Gujarat but was sent instead to Thane district which, though it has a Marathi majority, has historically been treated as part of the Northern Division. Not that I regretted it as it was nearer Bombay and Poona.

This was my first independent charge and therefore the real beginning of my career in the IAS at the juniormost level of an assistant collector. I joined in November 1952. The Bhiwandi prant had four talukas: Bhiwandi, Shahpur, Wada and Bassein, with its headquarters at the district headquarters at Thane. The collector's office was situated in an old Portuguese building and my own prant office was further away in another old government building. D.J. Madan, IAS, was the collector. The other two prant officers belonged to the State Civil Service, Chandrasen Gaikwad for Thane belonged to the Gaikwad family of Baroda and K.V. Desai for Dahanu. Chandrasen lived in Thane. He was good company and a good shot and we made many pleasant trips in his big station wagon. Desai lived in Dahanu, a very fertile prant with a number of fruit orchards belonging to Parsis who were good hosts. We made several enjoyable visits there.

I was allotted a bungalow in the Kopri colony beyond the railway lines, where all the senior officers lived. One could easily identify the bungalows. The national flag flew at the collector's bungalow, there was a police guard at the district superintendent's, the best maintained of course belonged to the executive engineer of the public works department and the one without any trees belonged to the district forest

officer! The clubhouse in the colony had indoor facilities and I enjoyed badminton in the indoor court. I was elected secretary of the club but this landed me in a highly embarrassing position within a couple of months. We celebrated Independence Day with games and competitions for the members. This was followed by a lunch for which we had invited an outside caterer from Bombay. At that time there was prohibition in Bombay city but not in Thane. When lunchtime approached and I found no preparations afoot, I went inside and found to my horror that most of the caterer's staff was drunk since Thane was outside the prohibition limit. We somehow managed to get food and save the situation.

I went by cycle to office till I bought my own car which I could not afford at the time. A Morris Minor in very good condition with a collapsible hood was available for Rs 2,000 but it was not suitable for rough roads. I selected another car, a well-maintained 1938 Dodge which could ride on rough roads in the districts and bought it for Rs 3,500. The car served me extremely well till my next posting. Within Bhiwandi prant I could take the car anywhere I liked and even took it to Bassein taluka which surprised everyone as there were many creeks on the way. I had learnt the secret of not removing one's foot from the accelerator but keeping the engine running even if the water level rose. Once while touring in Shahpur taluka I had to leave the car at the foot of the hills and walk quite a distance to inspect a village in the interior. When I came down to the car I found to my dismay that I had left the car keys behind. I could not even ask any officer to go back as I was not sure where I had left the keys. I therefore had to walk the whole distance and back to find the keys.

It was the first time that I set up a full-fledged establishment. Fortunately, I found a resident cook for Rs 30 per month. Ulhasnagar, an enterprising Sindhi refugee town near Kalyan in Thane district, had a reputation of being able to produce anything and one could really get quality goods at very reasonable prices. I was thus able to furnish my small bungalow fully but modestly for about Rs 5,000. I also kept a driver for a few months till I got used to driving the car. Petrol cost 6 annas per gallon and one could conveniently run a car with the permanent travelling allowance of Rs 150 per month. Thane was a small but friendly city. Many students and workers used to commute one hour by train to Bombay. Even we used to go by car to see English films at the Arora cinema theatre in Matunga, mostly the popular late-night shows.

There was a drinking water shortage in the city proper even though the main water pipeline to Bombay city passed nearby. I was told that the Bombay Municipal Corporation (BMC) wanted to take the pipeline through Thane city limits and was also prepared to give drinking water to the city; but the Thane city fathers laid down exorbitant terms for the BMC, which therefore took the pipeline from outside.

There was a large mental hospital in Thane and people in Bombay were amused if one said that one had come from Thane. The Central Prison was also famous as the British had kept in custody some of the *sardars* of the last Peshwa. As a matter of fact the escape of Trimbakrao Dengle from the Thane prison is a well-known story in Maratha history!

It was here that I really came to study and learn the classical revenue administration left to us by the British and maintained as per Anderson's Manual. There were about twenty-one village forms but the most important were Form nos. VII–XII, that is, the forms in which the survey number and the area of the field were recorded; the name of the owner and the tenant if any; and the yearly crop inspection. Also important was the mutation register in which the changes to be carried out in Forms VII–XII were required to be entered; these changes were sanctioned or rejected only after an enquiry by the prant officer. There were also taluka forms prescribed. The land revenue income of a taluka was examined and accepted by the prant officer through a yearly process called *jamabandi*. This was also the annual inspection of the taluka office. The staff of the prant office would spend a week or ten days doing the inspection and scrutiny, and the prant officer used to go through all this on the last day and then sign his certificate as a token of accepting the *jamabandi*.

Treasury inspection was also an important part of taluka inspection. The banking network had not yet spread to the interior of the district. Cash in large amounts was therefore needed for treasury purposes and there was a very substantial amount of currency notes in the taluka treasuries. The reason for checking this cash was that some of the *mamalatdars* used to lend money to local traders and other needy persons at heavy interest rates. But here also some of the *mamalatdars* were quite resourceful. When they learnt that the prant officer was coming for inspection they suddenly collected all their lendings and if there was any shortage, kept a small well-concealed hollow space in the stack of notes. An equally resourceful British collector started the

practice of testing these stacks by poking them with a rod to find out if there was any hole in them.

In 1953 the revenue administration was functioning almost as in the days of the British. We had to be out on tour for twenty-one days in a month with eighteen night halts. Besides the permanent travelling allowance of Rs 150 per month one could even claim horse or jeep allowance, which was about Rs 100 per month. I had a Swiss cottage that was taken and pitched at traditionally fixed campsites. Usually two bullock carts were taken for carrying the camp equipment and a large wooden box that contained the cooking utensils and rations. As a matter of course one of the peons also used to cook. One had to carry chlorine tablets to get good potable water, because guinea-worm infections were very common. I remember during my first camping season, the *patil* (village headman) of the village and the leading villagers came with rations for me. I thanked them but politely refused to accept them. I could see that they felt hurt. The old head peon (*jamadar*) on my staff whispered to me, 'The tradition in this area is that every visiting government official is a guest of the village and, therefore, these rations.' I again thanked the *patil* and kept a small piece of jaggery as a token.

The camping places at the taluka headquarters were still called dak bungalows, obviously a relic from the British days as it was here that horses were changed when *dak* (mail) was carried on horseback or horse-drawn vehicles. There were dak bungalows at all four taluka headquarters in my prant. I found that the menu was almost a standard one consisting of rice, thick chapattis, chicken, egg curry and potatoes, and for vegetarians the normal *dal*. The dessert was caramel custard of uniformly good quality. I always associated caramel custard with an ordinary dak bungalow and was surprised to find that the finest French restaurant in Geneva served caramel custard as one of its best desserts.

It was also laid down that each and every village had to be visited by the prant officer at least once in three years. I had a list made and finding that a large number of them had not been visited, I decided to visit these first. This almost created a sensation because obviously these villagers had not been visited by the prant officer for ten or fifteen years and large crowds would come to see me. There was also a practice of holding land *katcheries* where the applications and grievances of villagers were heard in the village itself or as near as possible at a central place to avoid visits to the prant headquarters. The advantage was that a discerning prant officer could establish the real truth when a large

number of villagers were present and it became difficult for anyone to conceal the facts. My land *katcheries* were therefore welcomed by the villagers and especially by those living in the interior far away from the roads.

Under the Bombay Debt Relief Act, if the borrower or an agriculturist had repaid twice the amount borrowed, then the whole loan was written-off including the interest. I particularly asked during farmers meetings if any agriculturist had been repaying a loan for a long time. This was a difficult task as the local lender had a powerful influence in the locality. Since cooperative credit was not easily available, I would grant *tagai* loans rather liberally but make it clear that the money had to be returned and should not be wasted on conspicuous consumption like marriage ceremonies.

Some amount of discretionary grants could be given by the prant officer for *shramdan* where the villagers themselves offered physical labour or collected cash for local schemes such as deepening of village wells, building of small culverts and construction of village roads.

For a villager the Government meant the *talathi* (*patwari*) and the police constable. One could add at most a schoolteacher and the panchayat secretary. But the real boss was the *talathi* as he kept the land records. Usually he had a small government office called *katcheri*. If his charge was in the interior he literally became the lord and master of that area. He was supposed to go to the fields to record the area sown, the crops grown and the name of the actual tiller. But most of the *talathis* filled in these details comfortably sitting in the *katcheries* surrounded by influential villagers. A mischievous *talathi* would even enter the name of another person as being the actual cultivator and thus create problems for the real cultivator and the real owner. I made it a practice to do personal field inspections taking with me as many villagers as possible to verify whether the *talathi* had entered the various details correctly. Once when I was riding alone on horseback ahead of my party I saw an old woman and started asking her questions. She was not at all impressed when I said I was the assistant collector and prant officer, acknowledging me only when another old man recognized me and told her, 'He is our *talathi's* saheb.' It was certainly a blow to my ego.

Settling mutation entries is an important part of village inspection and land *katcheries*. Changes in a land record are made on the basis of an application for changing the name of the owner or the tenant,

partitioning of the estate, and so on. The *talathi* issued notices to the concerned parties who were then heard by the prant officer. If this hearing was held in the village itself, it was easier to establish the truth and sanction the mutation. This assumed great importance because of the new Tenancy Act under which tenants were protected and could even become owners by paying the prescribed purchase price. Many landowners had the names of such tenants deleted by influencing the *talathi* not to show the name of the actual tiller during the field-inspection. I was happy to do justice to a large number of villagers by correctly deciding the mutation entries.

The prant officer had also to finalize appointments of new *patils*, and the *kotwal* (village guard). Sometimes appointment of a *patil* became a controversial matter as there were many claimants and one had to enquire about the history of the village and how it was governed.

In the beginning there was no separation of the judiciary from the executive. The prant officer, who was also a subdivisional magistrate, had to inspect the courts of all magistrates, both judicial and executive. After separation, however, only the executive magistrates remained under the subdivisional magistrate, who could exercise only the chapter case powers that could bind down bad characters, asking them to produce a bond for good behaviour.

When the judiciary was under the executive and I had to inspect courts of judicial magistrates, I had an interesting experience. At a court in my prant, the police sub-inspector complained to me that the magistrate did not give any remand. The magistrate, on the other hand, said that he did this as he knew the police usually subjected the accused to third-degree measures. When I came back after some months the police sub-inspector smilingly told me that he had sorted out his problem. There had been a petty theft at the magistrate's house and when the accused was produced before him, the police sub-inspector did not ask for remand but the magistrate himself gave the remand and asked the police to ensure that the accused confessed. From the smile on the face of the police sub-inspector, however, I could not help but wonder whether the petty theft was a cleverly arranged ploy.

Every year we had to decide the quantum of crop production on the basis of crop-cutting experiments by the prescribed scientific method that selected various fields at random and then carried out the experiment over the prescribed size of plot. On the basis of the yield so decided the production level called *annewari* was fixed for the village.

The rupee was the standard of currency consisting of 16 annas. An excellent yield of a crop was thus 16 annas and other yields were decided accordingly. If the yield was less than 6 annas the village had to be declared a scarcity-affected village. Collection of land revenue was suspended for that year and scarcity-relief works under the Famine Relief Code were required to be started. Politicians therefore put great pressure on us to declare the *annevari* as low as possible. Fortunately, as long as I was in Bhiwandi prant we did not have to declare scarcity for any village but there was water scarcity in many places even though the rainfall was fairly high. Since the forest cover was heavily depleted there was not much subsoil water available during the hot summer months.

Paddy was the main crop in my prant except that on inferior lands called *varkas*, millets were raised. The government had started various schemes to enhance the quality and production of paddy and distributed superior variety of paddy and fertilizers. The Japanese method of transplantation was also becoming popular. Here, seedlings were planted in rows at regular intervals so that weeding and other operations were easier. We also gave prizes to farmers whose productivity was very high. Because of heavy rains maintenance of field *bunds* was very important to impound water for the paddy crop. For this as well as for fertilizers we sanctioned rather liberal *tagai* loans but their recovery was becoming difficult because petty politicians and even some MLAs had started telling people that government loans need not be repaid. One of my *mamalatdars* made a rather bold suggestion which I approved. One of the MLAs from Wada taluka had defaulted on the *tagai* loan so the *mamalatdar* attached his property. Of course there was an uproar and enquiries came not only from the district headquarters but from the state headquarters as well. But we stood up to this pressure and fortunately this had a salutary effect on our recovery efforts. Maintenance of the bunds on paddy lands along the creek and sea coast, called *khajan* lands, is more critical as otherwise the brackish salt water comes in and floods the paddy crop. Hence we gave special attention to the needs of farmers in these areas.

Naturally, there were many rice mills in the prant. Bhiwandi town was a major centre and the Dandekar family had put up a unit for manufacturing milling machinery. But some of the villagers were quite enterprising. They would spread the cut paddy shoots on the road and the grain would automatically get separated by the wheels

of vehicles that passed over them. This was quite an efficient and almost costless system but only for those villagers along major and pukka roads.

Bhiwandi taluka was more developed than the others in the prant not only because it was nearer Bombay but also because it had a flourishing weaving industry as also rice and saw mills. Being on the Bombay – Agra National Highway it was an important centre for truck servicing and repairs. The majority of labourers in the weaving industry were Muslims, mostly from Uttar Pradesh, who went back home to their families once a year. The Muslim population lived in a separate part of the town, more or less, like a ghetto but fortunately communal peace was maintained. Bhausahab Dhamankar, a well-known social and political worker, was respected by all the communities and helped us ensure peace, especially during religious festivals. Padagha, another town on the same highway, also had a large Muslim population but was free of any communal feeling.

The Bombay – Nasik railway line did not pass through Bhiwandi but through Kalyan on the other side of the Thane Creek and through the Shahpur taluka, dividing it into two distinct parts: the western part was a good forest area while the eastern part was more or less a barren plateau. On my first visit to the eastern part I had to stop the car on the Shahpur – Mokhada road at Kinhvat and then walk or go on horseback or in a bullock cart. My camping paraphernalia needed half a dozen bullock carts that were willingly given by the head of Dolkhamb village where I was going to camp. Since an assistant collector had come there after a long time a large number of villagers came to meet me. In the land *katcheries* many cases and applications were decided which created much goodwill. The local revenue department staff were rather uneasy and apprehensive as they thought that their malpractices would be exposed. Some old people got up in open meetings and voiced their grievances. Of course I had to take action against the concerned officials, not only to enforce discipline but also to gain public confidence.

During most of my camps in the prant, well-to-do landowners always wanted crop protection gun licences. As this was a forest area, animals like wild boar from the forests used to damage the crops. But in many cases, people wanted to have a gun as a status symbol, usually a 12-bore and if they could afford it, a double barrel one. The licence had to be renewed periodically and took up much time in the camps.



Most of the areas in my prant were hilly that had once been heavily wooded and forested. The British had declared these forests as private lands and therefore private forests, that were governed by the Thane Woodland Code. Under this, the collector was authorized to give permission to cut the trees on these lands. Since Thane district surrounds the city of Bombay on all sides except the sea, the forest was liberally and widely cut to supply charcoal to Bombay which, in the mid- and late-nineteenth and early-twentieth centuries, needed it on a very large scale as fuel. Whatever had remained was government forest and it was exploitation of this forest that really was the main economic activity here. The forests were divided into coupes and were under a regular system of working plans. There was regular plantation and the coupe was auctioned for felling after a prescribed number of years. There were yearly auctions and a flourishing community of forest contractors had also set up saw mills. The government had, by the early 1950s, started forming cooperative forest societies where the membership was open to forest labour who were given some concessions. However, the forest labour did not really benefit much as these cooperative societies came to be dominated by non-working middle-class managers and agents who almost became a professional class and monopolized and exploited the cooperative forest societies for their own gains. Many petty politicians were also involved.

Most of the forest labourers were tribals. Though one of the conditions in the forest auction was that they should be given the prescribed wages, the enforcement was lax. I used to take a range forest officer with me and ask the labourers what wages they were receiving. This had some effect on the forest contractors.

The famous Vajreshwari hot springs were in my prant and Swami Muktanand was revered by many. His ashram became famous later; at that time it was a modest affair and a pleasure to visit. We prepared a scheme to develop the hot springs not only as a tourist spot but also as a health-spot, although further development took quite some time.

The eastern part of Bassein taluka was a tribal belt populated mostly by Warlis. Here too I had to hold many village meetings to ensure that they were paid the prescribed minimum wages by the landlords. The Warlis were paid wages in kind measured by their local container measures that were different from the standard government one and also different in different places. Godavari Parulekar, a famous communist social activist in that area, picked up a couple of the largest

measures and said that the Warlis should be paid not in government measure but in these selected village measures. I, therefore, collected about twenty or thirty different village measures and placed them alongside the government measure which the villagers could see was larger than many village measures. I thus persuaded them to accept being paid in kind in government measure.

The tribals had their own social security system. They cultivated the fields of widows, orphans and old people, reaped the harvest and gave the produce to them without any charge. If they did not have fields they gave them grains collected from the community.

The western part of Bassein, that is, west of the railway line, was quite different from the eastern part. It was more fertile and well irrigated. The Christian population was very large and Bassein proper, Agashi and Arnala, were important towns. Some of the churches were quite prosperous and since they also ran many schools, literacy among the villagers was fairly high. This was also a fertile area for vegetables, fruits and flowers that had a good market in Bombay. But it was the fishermen community which was more important and highly prosperous. Their sturdy ships went into deep sea and came back with huge hauls. Once the fish was unloaded, however, it was the women who took over and the men just disappeared to get merrily drunk. The women sold the fish to contractors and some took it to Bombay. Here again was an interesting social security system. When the fish was unloaded the first pick was taken by the widows, orphans and old people who had nobody to look after them. In this way the community looked after its own people who needed help.

The fishermen really enjoyed life. One could also easily understand their drinking when they had to work in cold water and strong winds. The men dressed up for festivals in silk shirts and blazers with gold buttons. But instead of trousers they wore a very wide piece of silk cloth. They were extremely fond of music and spent large amounts of money hiring bands from Bombay. Of course there were any number of village bands too. The women were very fond of gold ornaments and it was a pleasure to see them dressed for festivals or marriages. They had good figures and a graceful gait. Once while camping in Bassein I wanted to go on one of the fishermen's boats. However, I could see that they were not very happy about my accompanying them especially on a full moon night. Maybe what they brought back was not only fish but smuggled goods as well. The result was that I could not take the trip. The

*mamalatdar* of Bassein, Ishwarbhai Patel, was a character. He should have been a Deputy Collector by now. But the story was that he was a favourite of one of the commissioners of the Northern Division who used to get quite drunk every evening and Ishwarbhai once made him sign on his resignation letter. Ishwarbhai was not only shifted but permanently demoted.

Morarji Desai visited Bhiwandi proper when he was the chief minister. He followed a particular diet consisting of, amongst other things, palm gur (jaggery made out of palm copra) and certain cereals. Since we were informed in advance I managed to give him a good lunch and the old man was very touched and grateful.

I did not encounter any political interference in my work, perhaps due to the awe of the officer inherited from the British system or because the chief minister, Morarji Desai, was a no-nonsense man. Of course, there were some petty politicians but they could be kept in their place without difficulty.

# 4

## In Banaskantha District

*I* WOULD NORMALLY HAVE EXPECTED TO STAY FOR THREE YEARS AS assistant collector, Bhiwandi, but suddenly after two years in January 1955, I was given orders of transfer as assistant collector, Tharad prant in Banaskantha district, the northernmost part of Bombay State. V. Shankar, distinguished civil servant who was once secretary to Sardar Vallabhbhai Patel, was suddenly banished from Delhi and repatriated to his parent cadre Bombay, and to punish him further made collector of Banaskantha, which is one of the most backward districts of the state. He wanted an IAS assistant collector for Tharad prant, and since I was a bachelor at that time, they picked me up.

Tharad was in complete contrast to Thane district. While Thane was forested in some parts along the sea coast and also urbanized being near Bombay, Tharad was sparsely populated, semi-desert, without tree cover or roads, and on the Pakistan border along with the marshy Rann of Kutch. I packed up and sent everything including the car by rail. My household goods reached the district headquarters at Palanpur safely but my car went all the way up north to Palampur near Simla. Fortunately, it was traced and came back in good condition.

At Palanpur I met the collector. He was happy to see me but also cheered me up and advised me not to get too depressed with the conditions and surroundings.

Tharad prant consisted of four talukas. Both the Tharad and Wav talukas were *jagirs* under Thakurs, Deodar was the third, while the fourth, Kankerej, was a Gaikwadi area. There were no pukka roads, only sand tracks which, being used continuously by buses and trucks, had

become more or less permanent roads. They were further consolidated naturally during the rainy season. In most of north Gujarat and even in the Kathiawad area, there were hardly any roads, because the stone and metal required had to be brought from a long distance, mostly from the Aravali ranges, which was an expensive proposition and the rulers in the pre-independence days either did not have the money or were not interested in improving communications. Many of these states, however, invested in railway lines and had a good rail network for the simple reason that the railways gave good revenues to the states. As a matter of fact many of the Kathiawad states lived on railway revenues. There was a metre gauge railway line running from Deesa through Deodar to Radhanpur beyond Banaskantha towards Gandhidham in Kutch. There was no tree cover in the area and the vegetation was mostly bush and scrub. Bajra was the staple crop. Since the rains were scanty and irregular the crop was never a good one and mostly used as fodder. However, almost every third year there was good rainfall and thus a bumper bajra crop. Drinking water was scarce and habitations came up only where there was sweet water available. It became more brackish as one went westward towards the Rann of Kutch. It was a good cattle-breeding area. During summer the cattle were traditionally taken to other parts of Gujarat for grazing. The cattle breeders called *bharwads* were quite tall, broad, fair and with good features. It was said that they had come from Sind. The Thakurs used to take heavy revenues and gifts from the cultivators and traders, hence the areas of Tharad and Wav in pre-independence days were really very poor. They ruled their *jagirs* ruthlessly and cruelly. In one village I found that the fingers of the right hand of a large number of men had been chopped off by the Thakur because they forgot to salute him when he visited the village.

Agriculture was slowly picking up and we had started giving a new variety of bajra and also advocated the use of fertilizers. But because of lack of irrigation progress was very slow except in the Gaikwadi area of Kankerej where subsoil water was available. V. Shankar, the collector, was pushing forward the irrigation scheme of a dam on the Banas river but it was a long way. Education had just started spreading but there were high schools only at taluka headquarters. Women were not much seen outside as was the old Thakur tradition.

On Dussehra, traders, residents and villagers would come and give *nazrana* to the Thakurs. The tradition had continued, and the prant officer of Tharad also received people on Dussehra. I collected many

sweets and cash of about Rs 200 and gave it to the schoolteachers to celebrate with in their schools.

Since there were no roads in the prant, the government had given to the prant office two horse *sawars*, two camel *sawars* and a jeep. Thus whenever I went on tour it was a small procession of two horse *sawars*, two camel *sawars*, my jeep and two bullock carts carrying other camp paraphernalia. A Brahmin peon was the cook and called Maharaj in Gujarati. There was also an office tent and my old wooden box of utensils and rations.

As guinea-worm was very common, especially in Wav, we always carried drinking water with us and here one of the camel *sawars* was used to fetch good water from the nearest source. Of course chlorine tablets had to be used. We had, therefore, started a campaign to close the step-in wells.

Tharad, Wav and other areas had been given under the agency of the Gaikwads by the British, and being Marathi speaking I was given much respect because they associated me with that regime. I also used to carry my 12-bore gun with me. All this came in quite handy for me to effectively supervise the area. Some of these areas were called *kanthi* estates and formed a part of Kathiawad. Many of these small *jagirs* and even states patronized dacoit gangs who would raid the adjoining British areas and come back with the loot. The British apparently could not pursue them as the gangs were under the protection of the local rulers and Thakurs. There was also clandestine trade, especially in narcotics. To control this illegal traffic the British put up chowkies on the north-south road that came to be known as the Viramgam Cordon.

Land records on the Bombay pattern were introduced only after the areas were merged with Bombay State and were therefore not properly maintained. One had to continuously supervise them and issue instructions. Forms VII-XII became an important document as they indicated the ownership and the name of the actual tiller. The Thakurs wanted to enter their names as owners for many lands and so I started the practice of holding open meetings in all the villages and reading each page of this form in public to ensure that there was no injustice being caused to anybody. There were protests from many petty Thakurs but I ensured that the name of the actual tiller was properly recorded.

There was as yet no proper procedure in the district to fix the land revenue assessment. In the earlier days the Thakur, in a process called

*dhal*, would take away what was known as the king's share of the produce, which was not only high but varied in different places. *Jagirs* in north Gujarat had now been abolished under the Jagir Abolition Act. V. Shankar played a major role in drafting this act. The Thakurs, that is, the *jagirdars* lost ownership of all lands except those owned personally by them or under their personal cultivation. We had received instructions that a taluka should be divided into representative areas and crop-cutting experiments carried out to decide what would be the yield per acre in that particular area, and then one-sixth of the average produce fixed as land revenue since this was traditionally considered the share of the king. We started this campaign with great vigour, and because of my Maharashtrian name I did not encounter much difficulty except at one place that belonged to a violent group of Thakurs. When the crop-cutting experiments were being carried out the Thakurs came in a group, a hundred-strong, and surrounded the village. I was with a party of hardly ten or fifteen revenue officials. Each Thakur normally carries a thick, strong, sturdy stick bound by steel wire with a good-sized lead ball at one end that becomes a very deadly weapon. As evening set in, we got a little worried. I quietly sent a message to the nearby police station to come with armed men. When the police party surrounded the Thakurs at strategic points the Thakurs had second thoughts. I sent for the senior Thakurs and pleaded with them not to force me to order police firing. They saw reason and quietly went away. This was the first and the last time in my career when I almost gave an order for police firing.

The government had already sanctioned a major road from Deesa to Radhanpur and on to Kutch. The lands were notified for acquisition but the process was very slow as the landowners had been asked to come to Tharad for the hearing. I changed this practice and started holding the hearings in the villages. The owners had no objection to the lands being taken over, but they wanted compensation to be paid early. I was thus able to pass orders on the spot and also issue orders for payment of compensation. This speeded up the acquisition process and so also the construction of the road.

My impetuosity once landed me in serious trouble. During a village inspection one old woman complained that her neighbour Thakur had encroached upon her land and fenced it with the usual thorny bush and merged it into his own field. On enquiry I saw that the woman's claim was true and subsequently I just entered the portion encroached upon and

demolished the fence. The police inspector was with me and the Thakurs could not do any mischief. One of them, however, complained to the police sub-inspector, alleging criminal trespass on his property by me. I was in a tight spot but the police inspector was more resourceful. He registered the complaint but said that the prant officer had passed an order that the area was illegally encroached upon by the Thakur himself and hence the question of criminal trespass did not arise.

Under the new community development block scheme recently started by the Government of India, Kankerej was notified as a community development block. We had meetings at various places and explained the scheme to the villagers who responded enthusiastically. They came forward in large numbers to undertake roads and other village works for which liberal assistance could be given. Once, driving to inspect some such works, I could not find the village. The village *kotwal* who was our guide was sitting in the jeep. Only when asked did he say that we had taken a wrong turn. When I asked him why he had not told us before, he said sheepishly, 'But, *huzoor*, how could I tell you that you had made a mistake?'

Wav taluka bordered the Rann of Kutch and I was keen to visit it. Smugglers and outlaws called Baharvatiyas used to go across from here into Pakistan. One had to take an expert guide to avoid marshy spots in which a vehicle could literally sink. I took Bhudarbhaji Zaveri, a local trader, and an expert guide with me and travelled across the Rann on a full moon night – an unforgettable experience. Since the message had gone around that the subdivisional magistrate was visiting the area, at least at that time there was no cross-traffic.

On one occasion, travelling from Tharad to the district headquarters at Palanpur, the jeep broke down. The driver went to the nearest village and found a camel for me to ride to Deesa to take the train from there. The camel was a fine specimen and could literally run as fast as a car and I was able to catch the train at Deesa on time. On my return the next day I stopped at the village to thank the owner of the camel but did not find him. It turned out that he was one Balwant Singh, the notorious dacoit of the area. It was no wonder he had one of the finest camels.

My official residence was in town but there was a dak bungalow and a club outside town. It was a pleasant experience to go to the club and have a game of cards with the sub-judge and some senior citizens of Tharad. My sojourn here gave me an idea of how a young British civilian must have lived in a far away subdivision in his junior years. Life was



rather hard without the usual conveniences of city life. I always slept with a mosquito net not only to keep away the mosquitoes but even other crawling creatures. Water was a scarce commodity, and had to be used sparingly and properly chlorinated.

I had the experience of spending a night in a so-called haunted dak bungalow. I went to see the Viramgam Cordon outside my jurisdiction and when darkness fell I stopped at the nearest dak bungalow. When the villagers heard that a prant officer had come, they came and requested me not to sleep there because the last time a British assistant collector stayed there he had come out shouting at midnight and had taken seriously ill thereafter. They thought that he must have seen a ghost. I ignored them and decided to stay there and sure enough at night I started hearing various noises. Like always I had put a mosquito net and kept the light on. As was common, the roof of the dak bungalow had tiles and there were many insects including scorpions. Some of these scorpions must have come out at night and at least a couple of them dropped on my mosquito curtain. Since the light was on I could drive them away but I did not dare to come outside the mosquito curtain till the morning. I think the British assistant collector might not have put his mosquito curtain properly and been bitten by one of the scorpions. When I came out of the bungalow next morning, the whole village had gathered to see if something had happened to me and they were really overjoyed that I had slept soundly and come to no harm.

I had now held independent charge of two prants – Bhiwandi and Tharad – and I felt quite confident that I could handle any emergency or situation in rural India. In three and a half years of service as an independent prant officer I could legitimately claim that I knew how to look after the villagers and their needs and how to protect them from petty government servants. These had been the formative years for someone who had come straight out of college. I had also developed a sense of responsibility because people came to me for help and for sorting out their problems.

In V. Shankar we had an ideal collector from the old civil service. I could always go to him with any problem and there were plenty as we had to settle the area with land records and revenue assessments and at the same time face the rather violent landowning Thakurs. V. Shankar was a remarkable man who could conduct a discussion and at the same time write concise and precise notes. We were sorry to lose him when ultimately the high command at Delhi and Bombay relented

and shifted him as revenue secretary in Bombay. The collector's office of Banaskantha was due for inspection by Pimputkar, an ICS officer and deputy secretary (inspection) in the revenue department and far junior to V. Shankar in service. The latter invited him to stay with him, but Pimputkar in his haughty way refused the invitation. As luck would have it, before the inspection, V. Shankar suddenly became Pimputkar's boss as revenue secretary. Pimputkar now wanted to know whether he could stay with him. V. Shankar politely snubbed him.

The new collector J.C. Aggarwal was another fine officer senior to me by three years. We had great times. He took one month's leave in early 1956 and I had to officiate as collector. The old bungalow of the deputy political agent at Palanpur was the collector's residence. It was a comfortable house with a lush garden. Curiously, the deputy political agent in pre-independence times was an Indian officer and was locally known as Kala Agent. The nawab's palace in the city was now the collector's office. It had magnificent rooms but we could not furnish them well. Even the toilet attached to the collector's room was very large with blue tiles and luxurious fittings. In the earlier days there were only two pukka roads in the city – one between the railway station and the palace, and the other leading to the deputy political agent's house. At Deesa, the nawab had another palace named after his friend Hari Singh, Maharaja of Jammu and Kashmir. Though a Muslim ruler, the nawab of the Hindu state looked after his subjects with care and affection and was therefore respected even after independence. He was a popular figure whenever he visited Palanpur. Palanpur was also home to a large number of big and famous jewellers of Bombay. I went to attend the marriage reception of a jeweller and found almost the who's who of the Bombay jewellers' world assembled in Palanpur.

Mount Abu was in Banaskantha district as it had been detached from Sirohi State in Rajasthan and given to Bombay State. It was said that this was done at the behest of Sardar Patel. It was a popular hill station and the seat of the political agent. The forest and hilly slopes facing Rajasthan were lush green while those on our side were denuded. Most of the Rajasthani princes had their palaces in Mount Abu, Jodhpur's being the favourite of V. Shankar as apparently he had known the maharaja when he was Sardar Patel's secretary. The Indian Police Service Training Academy was located in Mount Abu and there were delightful mess nights. Once while driving from Abu Road station to Mount Abu I had to stop my jeep as a tigress was comfortably sitting

on the road with her cubs and we had to wait till she ambled away. Ambaji's temple at Dantiwada was another place of significance.

In 1956 the agitation for linguistic states was hotting up and the Gujarati population was up in arms as they wanted a separate Gujarat state. The people of Tharad town therefore led a *marcha* to my office and started shouting pro-Gujarat and anti-government slogans. But there was not much fervour in them and I was able to pacify them by quietly explaining the situation. I left Tharad in October 1956 to become collector of the Dangs district.

I met V. Shankar again in New Delhi when he was director-general (Posts and Telegraphs) and I was under secretary in the ministry; and again in 1978 when he was the then Prime Minister Morarji Desai's principal secretary. In 1983-84 I was secretary, Rehabilitation to the Government of India and stayed at Tharad overnight when I was travelling from Kutch to Ahmedabad. Many people came to see me, even my old driver Prem Singh. The whole area had changed remarkably during the twenty-seven years since I had last been in Tharad. The 1965 war with Pakistan had given it a border status and it now had an elaborate network of roads. The Banas Valley Scheme was also complete and much irrigation had come into that area. A large number of tubewells gave local farmers facilities for irrigation. The old office was still there but a new assistant collector's house as well as an Inspection Bungalow had come up. The place looked prosperous and it was with a happy nostalgia that I left Tharad.

# 5

## Collector of Dangs

**I**N 1956 THE STATES WERE REORGANIZED IN INDIA ON LINGUISTIC BASIS. As an exception, however, the old Bombay State, instead of being divided into three linguistic states, became a bigger bilingual state incorporating the Marathi-speaking Vidarbha and Marathwada areas and the Gujarati-speaking Saurashtra area, but with the Kannada-speaking Southern Division going to Karnataka. The collector of Dangs was transferred to Karnataka and I was promoted in his place. I joined in October 1956.

Dangs district had an unique constitutional history. It was neither conquered by the British nor annexed by them. The *jagirdars* of Dangs had never ceded their sovereignty. Somehow the British took over the territory and started administering it through a political agent stationed at Ahwa. When it was merged with the Bombay State on independence, it was decided that because of its unique nature, the revenues from the district would not be merged with the state revenues but would be spent exclusively for the Dangs district. It was declared a scheduled area and the population was, therefore, scheduled tribes. The commissioner for scheduled castes and scheduled tribes (SC and ST) thus had jurisdiction there. Though the district was equivalent to only one taluka, a full-fledged collector and district magistrate was appointed. Being a forest district it had a divisional forest officer but no separate district superintendent of police (DSP) and it came under the DSP of Surat. There was a district local board and instead of an elected president the collector was its ex-officio president.

Ahwa was the district headquarters. There were no railway lines in the district. Waghai, in the foothills, in the west was connected by metre-

gauge to Billimora on the main Bombay–Ahmedabad line. Navapur in the north was on the Surat–Bhusaval line even though it was outside Dangs. There were big forest depots for Dangs at Waghai and Navapur. There was good road communication between Ahwa and Nasik in the south, Vandsa in Surat in the west, and Navapur and Songad in the north. Otherwise too, as funds were not a constraint and forest coupes were to be exploited, there was a very good road network. Saputara had a good potential for being developed as a hill station and plans were already afoot for doing so.

The annual *darbar* of Dangs *jagirdars* was held by the collector when they were given their *jagirdari* amounts as already decided.

Dangs had already been involved in the linguistic controversy. Being at the border of the Marathi-speaking area of Nasik and the Gujarati-speaking area of Surat, it was claimed by both Gujarati and Marathi protagonists. The government of Bombay had thereupon appointed a committee in the early 1950s to decide the nature of the Dangi language and its report said that it was a dialect of Marathi. Consequently, in government schools, Marathi became the medium of instruction and also the language for district administration. This, however, was not accepted by the Gujarati protagonists.

The cause of Marathi was championed by the Dangs Seva Mandal, which established centres and branches throughout the district. It also formed forest labourers' cooperative societies, thereby establishing an influential position in the economic life of the district. As a result, it was able to give employment to a large number of tribal labour as well as undertake activities in the areas such as health and culture, among others. A number of ashram schools were also set up for tribal students. The main representatives of the Dangs Seva Mandal were Dixit in Ahwa and Bidkar in Nasik. Alongside, the Gujarati protagonists had established a strong presence at Ahwa represented by Rasikbhai. They too had established Gujarati-medium primary schools, ashram schools, and forest labourers' cooperative societies. There was an acute controversy and tussle between the two groups though both had their supporters at the state headquarters. The district administration had to be very careful while dealing with them and I even more so since I was a Maharashtrian. Fortunately, both the parties accepted my credentials as far as impartiality was concerned.

There was a church and a mission established by an American group. The missionary and his family were very pleasant people. There were a few mission schools mostly in Ahwa and nearby places.

The collector's bungalow was on a hillock overlooking the town. The national flag was hoisted whenever I was in town. Later this privilege was taken away by the government under the New Flag Code and now the collector's residence does not fly the national flag.

The Dangs was declared a forest area, though the tribals' rights to cultivation of lands and collection of certain forest produce to sell were protected. Apart from the forest labourers' cooperative societies, there were some private forest contractors too. During my tours, I made it a point to ask the tribals whether they were getting proper wages and if they had any difficulty in collecting the forest produce to which they were entitled. The cooperative societies were given preferential treatment by the government while awarding contracts for coupes, and they were supposed to not only pay fair wages but also carry out welfare activities. Since most of the tribals were not well educated, the management of the societies was entrusted to educated persons from outside. We would get many complaints and had to constantly monitor and supervise the working of these societies. However, because of the competition between the Marathi and Gujarati factions, both wanted to show that they were doing better than the other to gain the confidence of the community. This also influenced private forest contractors who had to be careful not to be seen not doing justice to tribal labourers. Illegal felling of trees being a major problem, the forest department had set up *chowkis* at strategic places to monitor and control transport of timber. This led to corruption among the lower staff and the district forest officer thus had to be highly vigilant to control such illegal activities. There were some saw mills at Waghai but most of the timber went out of the Dangs as logs to the Nasik, Navapur and Waghai depots. Though some areas in the Dangs forests presented a natural forest biodiversity, this aspect was not given importance as it was not recognized then. Wildlife was also plentiful and could be easily seen. Shooting was of course not allowed but those who protected crops were given licensed guns and we knew that there was illegal poaching and shooting.

Many tribals had cultivated lands as their right in the forest areas. However, due to the poor topsoil and the incline of the land, the produce was poor. They could grow only poor quality millets while grain had to be imported from the neighbouring areas. After studying this phenomenon I submitted a scheme to the government. Most of the cultivated lands were not suitable for growing any agricultural crops but were fit for growing forest trees. This the tribals were not doing as it

would not give them any yearly income. So I proposed that the tribals be encouraged to grow trees as advised by the forest department and take care of them till they were auctioned to be felled as was done for regular government forest coupes. When the trees were first planted the forest department should calculate the income from fully grown and felled trees and distribute this income over the number of years and give the corresponding annual portion to the tribal cultivator. In this way the tribal's annual income would be assured and the soil properly used. The tribal would guard and look after the trees as his own property because his annual income depended on them. However, the mandarins in the secretariat at Bombay thought this an impracticable scheme and it was buried under bureaucratic indifference.

While trying to propagate more scientific methods for agricultural cultivation we had started distribution of improved seeds and fertilizers but found the tribals reluctant to use fertilizers. We found that a couple of years before, the revenue staff had forced the cultivators to use fertilizers as they were given a certain target by the state agriculture department. As luck would have it, that year the rainfall was scanty and irregular and the crops were badly damaged, in some cases even burnt because of the fertilizers spread out in the fields. Hence their reluctance – and it took us quite some time to remove this prejudice regarding fertilizers.

I had the first taste of how to handle a minister's visit to a district when a deputy minister visited the Dangs accompanied by a retinue of political followers. After his two-day visit was over, his personal assistant (PA) requested me to send the bills to Bombay. As a new collector, I sent a bill for the expenses incurred not only for the minister and his personal staff but also for the retinue of people who had accompanied him. The PA was surprised to get the fairly large bill as he must have thought that I would either not send the bill at all or at most send it only for the minister and his personal staff and take care of the rest. The PA of course had to pay the whole amount but I was given an indirect hint on how to handle these matters in future.

But then why blame only politicians? The commissioner of my division came to visit the Dangs and brought his cook with him. The *mamalatdar* looking after the arrangements gave rations and whatever else was asked for. The bill finally also included the price of the chicken given to the cook. The commissioner protested that since he had wanted only chicken legs, why should he pay for the whole chicken? The

*mamalatdar* tactfully changed the bill accordingly. Certain characteristics, it seems, are common to politicians and bureaucrats.

Despite being a heavy rainfall area, drinking water used to be a problem during summer. So we had started a campaign to put up *bunds* and *bandharas* on as many watercourses as possible. The construction of percolation tanks could have been useful but the terrain was not suitable. A few such sites were, however, identified and special measures were taken to construct these tanks.

We tried several commercial schemes with mixed success. Though it was difficult to rear poultry on a commercial basis because of the heavy rains and the forest surroundings, we nonetheless experimented breeding chicks centrally till they were about ten or twelve weeks old and then giving them to the tribals for rearing till they started laying eggs. However, as the tribals were non-vegetarian, few birds reached the egg-laying stage, being eaten with gusto much before!

We also tried to encourage plantation of fruit trees as the mangoes in the surrounding areas of Surat were well known, but somehow the trees in the Dangs could not produce good mangoes. The Dangi breed of cattle being small and sturdy and suitable for a hilly terrain, was much in demand especially in the Nasik and Dhulia districts. So, we tried to distribute *tagai* loans to tribals for purchasing, rearing and selling Dangi cattle. The Dangi food was rather bland because their vegetables were of poor quality and not available in plenty. Thus vegetable growing was not a profitable activity as there was no market for them.

The district local board elections were announced in early 1958 and the real battle started between the Marathi and Gujarati protagonists. By this time it had become clear that the state would be divided into Gujarat and Maharashtra and the election results would be a decisive factor for the Dangs district. We had to make elaborate arrangements and I personally toured the entire district. When the election results were announced the Gujarati candidates were victorious with a very convincing majority, making it clear that Dangs would be a part of Gujarat and not Maharashtra. The Dangs Seva Mandal could not even lodge a complaint as I, who had supervised and conducted the elections, too was a Marathi-speaking person.



# 6

## Central Secretariat, Delhi and Williams College, USA

*I* WAS NOW EXPECTING A TRANSFER TO ANOTHER BIGGER DISTRICT; BUT suddenly I was informed by V. Prabhakar of my batch, who was at that time secretary to the chief minister, that my name had been sent for central deputation as under secretary in the Ministry of Tourism and Communications. I was slightly nervous as I had neither experience of working in the state secretariat nor held charge of a big district nor served even in a big town or city. Moving straight to the capital of the country to work in the central secretariat was thus a complete change of life and working. All said and done, a district collector's life is a comfortable one with a good house, an official car and the paraphernalia of servants and peons. The collector's office has a large staff and he governs a large population. Compared to this, an under secretary in the central government secretariat is the juniormost officer and a small cog in the government machinery. But fortunately life in Delhi in the late 1950s and early 1960s was still in the colonial style. I joined in Delhi in July 1958.

For the first few months we lived in the Constitution Club which had a good mess. I had already purchased a second-hand car in Bombay which had been sent to Delhi. The housing position then in Delhi was not as acute as it became later on. Government flats were available in the housing complex of Diplomatic Enclave and I was allotted a D-II flat on Vinay Marg. It was a comfortable two-bedroom flat with a servant's quarter attached. Domestic servants at that time were readily available. Furniture was also comparatively cheap and we were able to settle down

comfortably within a couple of weeks in a well-furnished flat. Petrol was cheap – six annas per gallon – and one could therefore drive down to work in the North Block of the secretariat. The cost of living in Delhi was also not high and even as an under secretary one could easily entertain at least twice or thrice a month. There was an active social life in the locality which had a large number of flats and a large population of government officials. In the Delhi official society the location of one's residence is very important because it clearly shows your status in the government. My address of the D-II flat in Vinay Marg would lead to a few awkward moments for me at some social gatherings but one came to accept it and live with it.

There was an annual ICS–IAS Association dinner addressed by the cabinet secretary. I had to speak as one of the juniormost officers at that time and was seated at the VIP table next to R.K. Nehru.

For the first time I was working in the central secretariat of the Government of India. The system of where a file had to travel, be studied and noted upon and then pushed up to the higher level was new to me. The file's starting point was the section officer and much depended on him – he is supposed to be the memory of the ministry and has to, therefore, put up all connected papers, precedents applicable, legal provisions, etc., on the file. He made comprehensive and verbose notes and the file passed to the under secretary, deputy secretary, joint secretary and then to the secretary. In the districts, the approach to any matter was problem solving and at least as collector the buck stopped with me. An executive field officer had not only to decide but also to execute a decision and he therefore preferred meetings and discussions to long elaborate notes. The main thrust in the secretariat, on the other hand, was on how the proposal under consideration was not practical and why it could not be implemented. The proposals came from field officers, who had a legitimate grievance that the officers in the ministry kept the files pending or at most returned the proposal for re-examination or rejected it. In the beginning I felt slightly lost when dealing with this new situation.

My job was to deal with the Posts and Telegraph Directorate. The ministry was a small one and the atmosphere was thus friendly. The minister was S.K. Patil, the secretary was M.M. Philip and the joint secretary was D.C. Das. There were four deputy secretaries and about six or seven under secretaries. I shared a room with Under Secretary Mohamood Ali who was also in charge of administration and

housekeeping. I continued my district practice of disposing of files on the same day or at the most within a day or two. My table naturally used to look clean. K.K. Saran, a Bihar IAS officer who was my deputy secretary, gave me some friendly advice saying that I should keep at least half a dozen files permanently on my table because a clean table was seen as the officer not having enough work. M.M. Philip was very kind and sympathetic and really took an interest in me as he knew that this was my first posting in the secretariat. He had a beautiful handwriting and was in the habit of making remarks in the margin of the noting portion. Even though the Department of Communications was a poor cousin compared to other ministries in the North Block, such as the Ministry of Home Affairs or Ministry of Finance, I was happy as it enabled me to become a part of the secretariat system in a smooth and effortless way. The work was of a routine nature and not very complicated. However, we received many Parliament questions and a Parliament session was a busy period for us. After sometime my old collector from Banaskantha, V. Shankar, came as director-general of Posts and Telegraph in place of Shankar Prasad and work became easier. Civil aviation was at that time part of the Department of Communications and both Air-India and Indian Airlines were with us, with Unni as the deputy secretary. Once it was found that two Air-India pilots had brought into India some air-conditioning equipment for personal use without paying customs duty. The matter was reported to us. J.R.D. Tata was chairman of Air-India and he noted that as the pilots were really good and they had at most committed an indiscretion, they should not be dealt with harshly. He suggested that they pay the duty applicable and an equal amount to the Prime Minister's Fund and no further criminal or departmental action should be taken against them. Philip consulted the cabinet secretary and agreed with J.R.D. Tata and the matter was closed.

Whenever a head of state or other eminent foreign visitor was taken to Rashtrapati Bhavan on arrival at the airport, the procession would drive slowly on the road between the North Block and South Block and the staff from both buildings was given permission to come out and cheer the visitor. When Queen Elizabeth and Prince Philip came to India on an official visit, all of us came out to cheer them. Some rural visitors were also in the crowd and one of them asked who the man sitting next to the Queen was. The reply was, 'He is Rani *ka gharwala*' (head of the queen's household). Fortunately, Prince Philip did not hear this!

Unni, who had been looking after Air-India, later joined the airline and became managing director. When I returned to Bombay from central deputation and was with the state government, Unni came to see the chief minister with J.R.D. Tata, the chairman. They asked me to come over to Air-India because the Shiv Sena had mounted a very aggressive agitation for recruiting Marathi-speaking people and Air-India therefore wanted a Maharashtrian director of administration. But I was not too keen as this deputation would have been for only two years after which I would have had to resign from the IAS and be permanently absorbed in Air-India. J.R.D. Tata appreciated this and did not press his request. If I remember right, one Gole was picked up for this post by them.

The government took a policy decision that the Directorate of Posts and Telegraph should be constituted into a P&T Board as an autonomous body with increased financial and administrative powers. The director general would be its chairman and there would be two members each from the postal and the telephone sections and a finance member from the finance ministry. A secretary to the board would look after the secretariat. V. Shankar thus became chairman; Cunningham and Marathe were members from the postal side; P.M. Aggarwal and Jagdish Prasad were members from the telephone side; and Shiralkar was the finance member. K.K. Saran, deputy secretary in the ministry, looking after P&T matters, was transferred as secretary to the board.

This greatly reduced my work at the secretariat department and I was given another assignment. By this time I had completed nine years of service and was due for promotion as deputy secretary. The secretary, M.M. Philip, took a personal interest and spoke to M. Gopala Menon, establishment officer. There was a curious sequel. My name was sent to the defence ministry and the defence secretary, O. Pulla Reddy, sent the file for orders to Krishna Menon, the defence minister. Finance Minister, C.D. Deshmukh, had raked up a controversy regarding purchase of jeeps by the defence ministry and Krishna Menon had taken umbrage to this. He told the defence secretary, 'I do not want a Deshmukh in my ministry.' When this was conveyed to Philip he was good enough to say that he himself would look after me. K.K. Saran retired shortly thereafter and Philip picked me up as his successor in the grade of deputy secretary in July 1960.

The working of the P&T Board was not smooth. The telephone members had a running battle with the postal members. The former

had a surplus budget while the latter was always in deficit. The government was most reluctant to increase the postal rates as the ordinary postcard and stamped envelope were used by the common man, and this was the major cause for losses in the postal department. The telephone side always made money because it was a state monopoly and there was no competition. Rates could also be raised as the telephone was used by the well to do. The postal side claimed to be the parent department on which the superstructure of the P&T department was built. The original base was the postal *dak* and the postmaster, followed by the telegraph. The telephone came much much later. But the rivalry continued with vigour, even confrontationist animosity. P.M. Aggarwal was a vocal critic of the postal side, as it drained away the revenues from the telephone side and hampered its progress and development. They therefore wanted separate postal and telecommunications boards. V. Shankar had a tough time but managed the situation well. Matters started worsening when V. Nanjappa became director general. He had a reputation of being a good executive officer but was not a good team leader or manager. His approach was rather superficial and his disposal of files quite quick. He gave me the secret. 'Do not spend time reading the notes; go on signing them but on every fifth or sixth file, ask for a discussion or write your disagreement so that the message goes around that files are read by you.' This was a smart way of disposing of files but not one to my liking. I also had a tiff with the finance member, Shiralkar. In one case the decision of the board had to be ratified by the finance ministry because it was beyond the board's powers. The finance ministry did not agree with the board's decision and I was informed that Shiralkar had so advised. At the next meeting of the board I raised the issue that the finance member cannot be both a board member and a member of the finance ministry. If he agreed with the board, he should then support the decision in the finance ministry too, or record his disagreement at the board meeting itself; otherwise there was no meaning in having an autonomous board, and it might as well be a mere subordinate office.

P&T staff had a strong and aggressive staff union. Once they had threatened to go on strike. The director general arranged to pick up their leaders but not the topmost leader as a deliberate strategy. This leader came to us a couple of days later and said that he too should be picked up because a rumour had spread that he had been spared because he was in the department's pocket. This created a division in the union,

and, as this was exactly what the director general had wanted, we were able to make them withdraw the strike threat.

I really enjoyed working as secretary of the P&T Board. The Railways gave golden passes for two persons to travel by the highest class as the P&T looked after the communication lines. I travelled extensively on this pass and was fascinated to see how the sorters worked and postal bags were exchanged in the RMS vans. The reach of the P&T department is vast, extending throughout the country with post offices and telephone exchanges. In some places there is a system of extra departmental postmasters who are not regular employees but work more or less on a contract basis. Once when I was travelling by road from Jabalpur to Nagpur and my car broke down at Seoni, I went to the post office and disclosed my identity. The postmaster soon organized a whole army to tow my car to the nearest garage and get it repaired. In the meantime I was treated quite royally in the dak bungalow there. This fraternal feeling extended to the US. When I joined Williams College there I went across to the post office and told them of my earlier association with the Indian P&T. The local postmaster was delighted to meet me and was extremely friendly and helpful. As a matter of fact, I used to get many books from India which were forwarded to me gratis by the P&T department as I was once with them.

Dr S. Subbarayan had come in as the new minister and invited the prime minister, Pandit Nehru, to inaugurate the annual conference. At the inauguration the minister was not comfortable reading his speech because of some eye defect. Within a few months he was sent as governor of Maharashtra and the story went around that Pandit Nehru had noticed his difficulty in reading and consequently shifted him.

As secretary of the board I did not have any executive responsibility but many people came to me to get their grievances redressed as I was in constant touch with the chairman and members of the board. Once some lady telephone operators complained of inadequate and unsatisfactory dormitory arrangements for them in the night shift. I thereupon visited the Delhi telephone exchange with S.M. Aggarwal, who was the general manager then. Between us we managed to get the necessary sanction from the board. Similarly, the postal side was not being compensated by the finance ministry even though it was doing its work, such as selling of National Savings Certificates and other government bonds. The finance member was asked to push our case in the ministry. The extra-departmental postmasters complained of not being

adequately compensated compared to the regular postmasters despite their work being similar. We set up a committee to examine this issue and submit a report.

The P&T Board had moved to the newly constructed Dak Tar Bhavan on Parliament Street. The main post office in New Delhi, now located on the ground floor of Dak Tar Bhavan, had set up a fine philatelic section. The Philatelic Advisory Committee with which I was associated examined proposals for new postage stamps, among other things.

I had a rather unpleasant experience unrelated to the P&T Board. One day I was served a summon by the police for allegedly blowing my car horn in the 'No Horn Zone'. When I checked the date I found that I had not been in office that day. But as I had accepted the summon I went to the magistrate's court in Kashmere Gate in Old Delhi. I had to wait till the afternoon for my case to come up. The magistrate, realizing that I was an IAS officer who must have served as a district magistrate, was helpful but said, 'If you plead not guilty I will have to give another date when the police witnesses will be examined. The police will always have two or more witnesses and then it will be their word against yours. Even otherwise you will have to come to attend the court at least two or more times. If, on the other hand, you plead guilty I will impose a nominal fine of Rs 10 and close the case.' Even though I knew I was innocent I found his advice very practical and pleaded guilty. This was the only time I was ever convicted of any offence.

## Williams College in the US

In early 1962 the establishment officer informed me that the Centre for Development Economics of the Williams College in Massachusetts, USA normally took two officers from India for a one-year MA course in Development Economics and that I should appear before the interviewing officer who was coming to Delhi. I was a bit surprised as I was not an economics graduate but I did not want to miss this opportunity and therefore quickly studied the central government budget and our Five Year Plan. Fortunately, at the interview I was asked about our Five Year Plan and I was selected. The other officer selected was S.B. Lal of the Madhya Pradesh cadre. I had to leave in June-July and hence started winding up our home in Delhi. I was given a Ford Foundation scholarship that covered travel, all expenses including college fees and other charges and full board and lodging.

Till the previous year the government had allowed officers going for such training abroad to draw their salaries in foreign exchange to supplement the allowances from the sponsoring agency. I felt that this practice should have been continued as I wanted to take my wife with me. I thereupon, called on Morarji Desai, the finance minister. He quietly told me that Indians were so fond of bringing in foreign goods and gadgets that they saved the foreign exchange only to bring in these when they returned. Only a year before a senior officer had lived stingily and saved all the foreign exchange to bring in a small car. Therefore, I would not be able to draw my salary in foreign exchange. Seeing my disappointment, Morarji's private secretary, Tonape, tried to cheer me up saying, 'If you want some extra foreign exchange I can arrange it with the Reserve Bank of India.'

I left India in June to join the Summer School in the university at Boulder near Denver, in Colorado. The intensive two-month course in economics was to equip students who had not read the subject but who had been admitted for special courses in it equivalent to a postgraduate degree. I was apprehensive initially but I was told it was not the time period but one's intensity and capacity to pick up and absorb knowledge that was more important. This seemed to be a rational explanation, which turned out to be true at least in my case and I left feeling fairly confident.

This was the first time I had gone out of India and that too to the most prosperous country in the world. Its hugeness and prosperity really hits anybody coming from a developing country in Asia. The facilities on the college campus were quite impressive and the university library was large and well appointed. The teaching sessions were heavy and intensive and the education system different from that in India. Students had to work on their own and were not spoonfed though the tutor was ever watchful and ready to help.

We also had to completely change our eating habits. The university cafeteria had an enormous variety of food and the appetite of an average American student was much larger than that of Indians. Dinnertime was rather early for our group from India and we started going for a stroll after dinner. One evening, a police patrol stopped us and asked why we were walking. He could not believe that we were merely out on a stroll. Apparently, this sort of thing was not done in the US as people only drove everywhere in their cars.

Between the end of Summer School and opening of Williams College in September, there were about three weeks during which time



I visited a sponsor American family at Castleton in Vermont for the fall season when the trees literally glow. It lasts for about two months before winter sets in.

In September my host drove me down to Williams College. The college was founded in the mid-eighteenth century and was one of the top New England colleges. The Centre for Development Economics was in Cluett House – donated by the family who introduced the new type of shirt collar. We were about twenty students from all over the world. We had comfortable well-furnished rooms and an affectionate middle-aged lady to cook for us. The classrooms were in the same building but we could use all facilities of the college including the excellent library and the cultural amenities. Williamstown being a small town, everything was naturally centred around the university. The nearest towns were Adams and North Adams where, in the past, there had been a flourishing textile industry.

Since my Indian driving licence was not valid here I applied for an American driving licence. I passed the test but failed in the orals. The crucial question was: 'What should you do while driving in a residential locality if you see a ball suddenly thrown across?' I did not have the answer but later realized that I should immediately slow down as a ball in a residential area is almost sure to be followed by a child. I cleared the test next time and elected to drive the centre's station wagon to earn monthly pocket money, the only restriction being that I could not drive after a drink.

I really enjoyed my second student's life at the Cluett Centre and followed the same American system of education of studying intensely for five days and then enjoying the weekend. We could use the library extensively and were given a generous book allowance. With the allowance I bought a number of good reference books and built a small library when I returned home. When my wife joined me, I hired a small bed-sitting room in town. It had a kitchenette and an attached toilet. Most of our neighbours were students with their families and we had a good social life. Liquor was not allowed to be sold on the university campus. Outside there were no restrictions but one rarely saw anyone drunk on the road. I wanted to test my capacity to stand a drink: I found that one peg of Bourbon had no effect, two made me happy, three made me merry but with the fourth I was under the table. This taught me when to stop drinking and not to make a fool of myself.

We were taken out on long tours and went to the Grand Canyon, Washington, New York and Puerto Rico. In the early 1960s there were

not many Indians to be seen in the central part of the US, and many people wanted to be photographed with my wife who wore a sari, a garment quite unknown to them.

We were advised to always carry loose cash while travelling by car in New York and offer a \$ 5 note to any traffic policeman who stopped us as the New York state police were notorious and corrupt. Though we had heard about the treatment of blacks in America, in Williamstown we did not experience any prejudice, perhaps because they were accustomed to foreign students from Asia. The first time an African student with us went for a hair cut, he was apprehensive but the barber said with a straight face, 'You may be a black but you are not an American and therefore, don't worry.'

We found that the American people were mostly self-centred and inward-looking. They were not concerned about the outside world but only with their own town or at most their state capital. By Indian standards their knowledge of the history, economics, and politics of foreign countries was poor. I realized how little India mattered outside as it was hardly mentioned in the newspapers and other media and also that one should learn to look at oneself as others do. For example, we had always thought that our position regarding Kashmir was the correct one. But I found that most Americans thought that we had forcibly occupied Kashmir. The lesson I learnt was that one should not only be right but should be seen to be right. The Chinese invasion of October 1962, however, gave India prominence in the American press and American mind. We were seen as victims of communist dictatorship and therefore got much sympathy. In Williamstown and the surrounding areas many Americans made it a point to come to my wife and me and express their solidarity about India.

The MA course not only gave me a good grounding in economics and econometrics, but it also taught me how to deal with the economic problems of a developing country. After the Chinese invasion the subject I selected for writing a paper was 'The effect of defence expenditure on the Indian economy'. Using the econometrics theory, I built a model for assuming a certain rate of growth of GDP; a certain growth of defence expenditure as reflected in the 1961-62 and 1962-63 budgets; the same increase in the rate of inflation as in the past and other factors. My conclusions were rather depressing as I found that the revenue deficit would be very large and consequently the rate of inflation disproportionately high. My paper was very well appreciated and given an A-minus.

During Christmas we had a good holiday in Cambridge, Massachusetts. The hostess, an elderly lady, gave us a delightful Christmas dinner but had funny notions about India, still thinking of it as a land of maharajas, tigers and snake charmers. We met many Indian families in the New England area and found that the first-generation emigrants wanted to return to India when they grew old because they found it difficult to settle down in America due to the paucity of employment opportunities and because the ethnic Indian community was not large and prosperous. This is in absolute contrast to what we find now especially in the Silicon Valley.

As the academic year was drawing to a close I was offered a scholarship for a PhD in economics at the University of Yale. Apparently, my teachers were quite impressed by my paper. Accepting the offer would have meant two years of study and resigning from the IAS, which I was not prepared to do. In retrospect, I wonder what would have happened if I had gone to Yale. The prospects would have been good in a different way because I would have stayed back permanently. I got high grades in the final examination and we left Williamstown with a rather heavy heart. I met some of my friends there afterwards. S.B. Lal was a colleague of mine in Delhi; Shahid Hussain from Pakistan became secretary to President Bhutto and then joined the World Bank and became a vice-president there; Syed-u-Zamman from Bangladesh became a finance minister there; Pedro Cericola became a banker in Mexico.

*Postscript:* Some of my luggage came by ship to Bombay. At the customs shed I located the luggage and brought it to the Customs Officer but he ignored me. I waited for almost an hour and then protested to him about the delay. He bluntly told me that I should know how the luggage is moved for inspection, clearly indicating that I pay some money to him. I went to the assistant collector sitting nearby and showed him my identity card as deputy secretary in the chief secretary's office. Only then was I able to collect my luggage and return home.



# BETWEEN BOMBAY AND DELHI



# 7

## Back to Bombay

*I* RETURNED TO BOMBAY IN JULY 1963 AND THE CHIEF SECRETARY POSTED me as deputy secretary in the finance department. Damri was the finance secretary.

Y.B. Chavan had become union defence minister in Delhi after the 1962 Chinese invasion and Kānnamvar, who came from Vidarbha, had become the chief minister. When I made a courtesy call on him his first question was, 'What do you want from me?' I explained that it was only a courtesy call as I had recently joined, but it was obvious that the politician in him found it difficult to believe that anyone could come to see him without asking for a favour.

I was looking after the rural development department in the finance department and two good friends of mine, V. Prabhakar and V.B. Mandlekar, were also deputy secretaries. Abasaheb Khedkar, the rural development minister from Akola in Vidarbha, was a practical person and wanted things to be done at any cost. I was told that a deputy secretary had written on a file that a certain thing could not be done as it would be against the Constitution. Khedkar is reported to have written in Marathi: 'This may be done notwithstanding anything contained in the Constitution!' The rural development department was finding it difficult to implement certain schemes. At a meeting I had to explain the finance department's stand on why it could not be done. The answer was that it had to be done and I should find some way of getting it done. The finance secretary was sympathetic but calmly said that a finance representative had to face a hostile atmosphere all the time and every time.

In April 1964 I was shifted to the general administration department, directly under the chief secretary, D.R. Pradhan. Kannamvar had suddenly passed away and V.P. Naik had become the new chief minister.

I was given charge of various divisions and was the first IAS officer to look after the All India Civil Services in the state that had so far been under a state secretariat service officer. This new arrangement sent an encouraging signal to IAS officers as they thought that their interests had not been properly looked after by a non-IAS officer. I tried to establish sound systems. To begin with, probationers were posted to those districts that had experienced IAS collectors so that their training could be monitored well. Further, systematic career planning included a posting as CEO of the zilla parishad and then district magistrate and collector of a district followed by a regular posting to the secretariat. Here, after evaluation, they were shifted to various secretariat departments. We laid down that officers should have a basic tenure of about three years and transfers should only be made at the end or beginning of the academic year so that the education of children would not suffer. Postings on humanitarian grounds or on account of health problems were also sympathetically considered.

Every IAS state cadre has a central deputation quota and Maharashtra's quota was not fully utilized. We regularly and consistently reminded the Department of Personnel at Delhi to take as many IAS officers from Maharashtra as possible. It was an open secret that in Maharashtra confidential records of officers were written in a rather conservative way. This went against the officers when their CRs were compared in Delhi with the CRs of officers from other states where the assessment was traditionally more liberal. We sought to rectify this by asking for CRs to be written in a more sympathetic and imaginative manner.

Another grievance of the Maharashtra officers was that they had very few chances of going on foreign deputation or foreign training, largely because the names were not sent in time. I changed this system and ensured that we sent our suggestions well in time and the results were not far behind in coming.

Another problem peculiar to Maharashtra was that officers came from three different parts of the state, namely, western Maharashtra, Vidarbha and Marathwada. Special care had to be taken that postings in the state secretariat and in departments outside were fairly distributed. Thus far, officers from a particular region had usually



not been posted outside that region at the junior stage, but I changed this system also.

When the age of retirement was raised it was laid down that this should not be automatic but be given only to those IAS officers whose performance was satisfactory. We found that two or three IAS officers had not met the required standards and so they were made to retire. This was the only time in Maharashtra that such an action was taken.

Chief minister V.P. Naik's knowledge about officers was really surprising. He would call me for discussion regarding postings and transfers and tell me why he wanted a change on the basis of his knowledge about the officer's work and experience.

I was also in charge of the secretariat services. These officials, once recruited, mostly served in the same department till they retired or, in exceptional cases, were shifted as deputy secretaries to another department. I tried a system of shifting section officers to another department when they were selected as under secretaries. But this was resisted by even the departmental secretary and the ministers who were not prepared to lose an officer who had served their department for many years and was familiar with its working. As a result, I did not pursue the matter further.

The secretariat service had a strong trade union and their leaders were always agitating for better emoluments and other facilities and concessions. Once, talks between them and the government failed and the secretariat staff went on strike. The chief minister, in a strategic policy move, told us not to have any talks at all with the unions. However, the public was not inconvenienced much as civic services in Bombay continued to function normally. When the unions realized that the public might even ask for heavy reduction in staff strength and support the government's hard measures, they became more conciliatory and called off the strike.

I was also in charge of the ministers' establishments. Because of the patronage involved, secretariat service officials always used to get postings on ministers' establishments. I started a system of getting vigilance clearance for such postings. This was much appreciated by the chief minister and the ministers themselves. However, there was a sensitive issue. A minister was entitled to a couple of residential clerks and peons who were often the minister's personal people recommended for appointment as government servants on a contract basis for the tenure of that particular minister. There were several instances when

persons much above retirement age sought to be appointed and when I refused, some ministers complained to the chief minister but he explained the position to them. That was the end of the matter though it created misunderstandings with those ministers.

Some ministers were thorough gentlemen and it was a pleasure to deal with them, especially those from Vidarbha who were more informal and hospitable. S.K. Wankhede from Vidarbha always dressed in a long-sleeved bush-shirt but did not wear a Gandhi cap. This led to an amusing incident. Once when he reached Ahmedabad on an official tour there was nobody to receive him at the railway station. He saw a big group going from carriage to carriage looking for someone. When he went up to them and identified himself, the whole group sheepishly garlanded him. They had never before seen a minister without a Gandhi cap! As speaker of the assembly his sense of humour not only created a congenial atmosphere but also helped him deal with unpleasant situations. Once a lady member criticized a minister and called him neuter. There was an immediate uproar in the House. Wankhede expunged it as being unparliamentary and also remarked, 'Members should not make statements on hearsay unless they have personal knowledge of the contents of the statement.' The House burst into laughter and the tension disappeared. He was a good host and during the Nagpur session always gave a party at which were served local delicacies, especially the *hurda* (roasted tender corn). He is remembered widely on two counts – first, as the creator of the World Trade Centre complex in south Bombay, the first of its kind in India; and second, for the Wankhede Stadium for cricket. There is a rather interesting story behind this stadium. It is said that one rather unflattering remark about Marathi-speaking people made by the president of the Cricket Club of India (CCI) so annoyed Wankhede, who was then the president of the Bombay Cricket Association (BCA), that he decided to have BCA's own stadium where cricket matches would be played instead of at the Brabourne Stadium of the CCI. Chief Minister Naik fully supported him, as once he was also reportedly not treated well in the CCI. It is unfortunate that the magnificent cricket stadium like the Brabourne Stadium of the CCI has fallen almost entirely into disuse as far as cricket is concerned. This stadium was the home of Indian cricket for several decades.

S.G. Barve after retirement from the ICS joined the Chavan government in 1962 as industries minister and continued until after Chavan went to Delhi. His relationship with Chief Minister V.P. Naik

was a strained one because he felt the new chief minister was not on a par with Chavan. He was therefore sent off to Delhi.

The winter session of the legislature was held in Nagpur, a commitment that had been given to Vidarbha when it merged with Maharashtra. All the ministers and the various departments had their camp offices in Nagpur. The chief secretary also shifted to Nagpur and the general administration department had a camp office with him. We, the staff members, would go to Bombay on weekends, the stay at Nagpur a pleasant interlude from living in a crowded city like Bombay. The atmosphere was that of a pleasant outing with numerous cultural functions and dinners and parties. The first day of the session was, however, always marked by processions organized and led by various opposition groups and interests in Nagpur. There was a gentleman's agreement between the commissioner of police and the procession organizers. All the people taking part were detained, by the police and kept in police custody for a day and released within twenty-four hours. During this detention they were given the usual meals. One year, however, the procession leaders protested to the chief secretary that the police commissioner had told them that they would be picked up and released some distance away but would not be kept in police custody. This, they felt, was most unfair as they would not get the usual two meals and other refreshments. The police commissioner explained that the number of persons taking part in the processions that year was too large and the prison authorities did not have enough staff to cook so many meals. We hammered out a compromise. The leaders agreed to include a sufficient number of cooks in the procession who would then help the prison staff prepare the meals and refreshments! And everybody was happy.

The sensitive department of publicity was also with me and one had to be very careful as every minister wanted good publicity for himself. It was also in charge of giving advertisements to newspapers and periodicals, a source of government patronage. It also produced documentary films, including newsreels, a powerful publicity activity. The government published a periodical called *Lok Raj* that was distributed free. The director of publicity thus wielded much clout with the ministers. Vinod Rao, the director, was highly professional but also very ambitious. After him there was much grumbling and politicking in the department but I left it to be sorted out by the chief secretary and the chief minister. I intervened only once. *Inquilab* was an Urdu

journal with a nationalistic outlook, but its circulation was highly restricted. I wanted to encourage it and, therefore, directed that it should be liberally given individual advertising patronage.

The state government had built Maharashtra Sadan in Delhi on a plot of land given by the central government. But we wanted the whole piece of land that rightfully belonged to the state as it was originally the Sangli mess land which should have come to Bombay and then Maharashtra as the successor state. The chief minister was doing his best to persuade the central government to hand over this land without any compensation as it actually belonged to us. This matter was, however, sorted out much later.

Protocol, another division with me, looked after ceremonies and ceremonial functions of the government and visits of VIPs, both Indian and foreign. The ranking in the visitors line to receive a VIP had to follow the order of precedence and we were very unpopular with both politicians and bureaucrats as they wanted to have the higher position. It was the same with the carcade following the VIP as there was always a scramble after the carcade had started. We had similar problems with seating arrangements, which again had to follow the order of precedence. This was not so difficult but it did create bad blood outside Bombay. For example, who should receive a VIP alighting from an aeroplane in a district, the collector or a head of the department of the state or the central government. The collector represents the state government at the district headquarters and therefore, we issued orders that he should have precedence over all other officials. This was resented by many, especially in places with an army establishment.

Mokashi was an experienced protocol officer and I asked him to prepare a protocol manual containing all the orders of the central and state governments and the various executive orders. The warrant of precedence issued by the home ministry was an essential part of this manual. After this manual was distributed many of the protocol problems got sorted out.

We also handled the Padma Award recommendations. They were sent by the chief secretary after approval by the chief minister. We were greatly harassed by socially ambitious persons wanting to be included in the list. Our stock answer was that this was the prerogative of the chief minister; we were thus able to pass the buck on to him. The craze for getting the Padma Award was incredible and one man actually sent

a letterhead where under his name was blatantly written 'Recommended for Padma Award!'

The Republic Day parade was staged at Flora Fountain where the governor took the salute. It would start from the museum and go towards the Bombay Gymkhana. However, as there was not enough seating space for the invitees the venue was shifted to Shivaji Park. On Independence Day the chief minister hosted a reception. Being the rainy season, we looked for a sufficiently large hall for this purpose and zeroed in on the Town Hall. The reception is now held there.

We faced a rather curious situation in the protocol department. When Pandit Nehru died, in May 1964, his sister, Vijaya Lakshmi Pandit, was the governor. She brought to the state some of the ashes in a copper urn. We carried this in a procession from the airport to the Mantralaya for the people to pay their respects. The ashes were then taken by the chief minister to Nasik for immersion in the Godavari river. After ~~some time~~ we received from the governor's personal secretary in Delhi a bill from the Raj Bhavan for purchase of the copper urn. We were intrigued not only by the small amount involved but by the strange fact of it being sent at all. I sanctioned the amount but without telling the chief minister. He later told me about Vijaya Lakshmi Pandit's strange behaviour. When Pandit Nehru was alive she used to treat the chief minister with extreme condescension, but after his death she even remembered the chief minister's birthday and sent him good wishes when he was going on tour.

In those days it was really difficult to get a new Fiat car. The waiting period used to be years and there was always a scramble for the state government's quarterly quota of 75-80 cars. As this quota was given in public interest we kept a register of applications from government servants and holders of public offices. But I found that our list of recommended names used to be ignored and an entirely different list would come back approved by the chief minister. When I was to prepare the first list for his approval I asked him why our recommendations were not considered. His answer was simple, 'I have to give cars to some people which you officials do not appreciate.' On being asked how many cars he needed for this purpose he said about fifteen or twenty. When I prepared my list I kept the first twenty entries blank and filled in the remaining names according to the register. And lo and behold! The chief minister filled in only the first twenty entries and the remaining list came back unchanged.

Housing in Bombay was a major headache for officials, especially for those coming from outside. Allotment of government accommodation was a function of the Public Works Department, and its minister and secretary exercised their patronage and consequent influence on many government officials. I too had experienced the difficulties of getting a house when I came to Bombay in 1964. There were rules for allotment, but the minister had the discretionary power for giving an out-of-turn allotment. I thought that this power should be with the chief minister. When the ministers were busy with the 1967 elections I quietly put up a proposal for transferring the subject to the general administration department and had it cleared by the chief minister and the governor. After the elections a new ministry was sworn in, and the PWD minister and secretary started grumbling but then it was too late. We changed the whole system. The waiting list of officers and all allotment orders were made public and put on the notice board. This created transparency and the people were happy with the new system.

At the same time we started planning for government servants to have their own houses in Bombay. The best way was to form a cooperative housing society and then allot to it a plot of government land and sanction housing loans. I requested the collector of Bombay to prepare a list of vacant plots in the city and also ensured that the Department of Personnel in Delhi gave us liberal housing loan grants. This initiative started yielding good results, but there was another hitch. Due to the stringent Rent Act provisions, officers were compelled to keep their flat vacant if they were transferred out of Bombay. We worked out a proposal that such flats be taken on rent by the government on an amount of monthly rent equal to the loan repayment instalment plus all municipal taxes; and that the flat be returned to the officer within two or three months if he was reposted to Bombay or if a member of his family wanted to occupy it. This new policy gave a big relief to all the officers and many of them seriously started thinking of forming cooperative housing societies.

D.R. Pradhan was to retire as chief secretary in mid-1966 and was succeeded by another ICS officer, B.B. Paymaster. For the first time I noticed how manipulative officers function. A secretary in the general administration department started cultivating Paymaster and tried to prejudice him against officers who were in the good books of Pradhan, and I was one of them. Pradhan was given an extension and Paymaster was rather bitter about it. Paymaster did become the chief secretary

after Pradhan retired in September 1967. The secretary in the general administration department tried to persuade Paymaster to shift Pradhan's so-called favourites. I met Paymaster and made an effort to remove the prejudice in his mind. A thorough gentleman, he saw through the game of the secretary and did not transfer me.

Though Paymaster expressed to me his full satisfaction and appreciation, I felt that it was much better if I myself left the department. I would go to Delhi periodically to discuss various matters with the Department of Personnel, and I now expressed my desire to come on deputation. I was happy to be offered the post of joint secretary in that department. Incidentally, Y.B. Chavan was the home minister in charge, L.P. Singh was the home secretary and B.B. Lal was the personnel secretary.

I received my deputation orders in February 1970. Mine was a post created to process the wide-ranging and far-reaching recommendations of the Administrative Reforms Commission (ARC), with Morarji Desai as its chairman. I saw in the file that the proposal for creating my post was cleared by Prime Minister Indira Gandhi but with a remark: 'This is a classic example of Parkinson's law.' I got help and advice from N.K. Mukherji, additional secretary in charge of the Department of Administrative Reforms, who later became the cabinet secretary in 1977.

The recommendation that caused much discussion in Delhi was the method for selection of officers for secretariat posts of under secretaries and above. Thus far all the central services had felt that the ICS and IAS were monopolizing these posts and denying them their due share. A couple of officers from the Indian Postal Service were rather aggressively leading the campaign against the so-called IAS monopoly. I found great merit in the ARC's recommendation that officers from all services should be judged together and a common panel prepared for different levels like under secretaries and above in the secretariat.

I had detailed discussions not only within the home ministry but also with senior offices across the government. I was successful in creating the impression that even though I was an IAS officer I would examine the recommendation and submit my report not only without fear or favour but also without any injustice to non-IAS services.

L.P. Singh, the home secretary, used to work till very late in the office and expected his officers to do the same. Many IAS officers in the ministry would leave the office only after the home secretary had left. Some of them, however, rather cleverly used to leave early but keep

the lights on in their rooms and then come back later to close shop. But L.P. Singh proved cleverer than them. He started calling them on the internal telephone line and this almost created a panic amongst the junior officers.

For a month or so I also held the charge of joint secretary (vigilance) who *inter alia* supervised the Central Bureau of Investigation. I was amazed to see the information collected about prominent personalities in India and leading industrialists, financiers, and business houses. Apparently, this was being used for political purposes.

After some time Prime Minister Indira Gandhi took away the Department of Personnel from the home ministry and put it directly under her. Chavan was shifted from the home ministry to the finance ministry. This was a clear signal from the prime minister that she wanted to cut Chavan down to size and most of us thought that he would stand up and prefer to leave the government.

When the subjects to be transferred with the Department of Personnel were finalized, many of us were surprised that the prime minister had not also transferred the Intelligence Bureau (IB) from the home ministry. But in the case of IB the joke was that, 'the Prime Minister thought that CBI also meant Central Bureau of Intelligence.' Later, however, it was decided that certain divisions in the IB would report directly to the prime minister and not to the home minister.



## 8

### Secretary to the Chief Minister

*M*Y TENURE IN DELHI THIS TIME WAS FOR ABOUT ONE YEAR. IN MAY 1971 I took premature reversion from central deputation to my parent cadre to return to Bombay because of my wife's illness. Later that year, in November, I was appointed director of municipal administration supervising the municipalities throughout the state. It was a routine job and not very exciting.

The war for Bangladesh broke out and I was asked to visit the camps at Ahmednagar where Pakistani nationals were interned. Many of them were surprised at their plight as apparently they had just merged with the local population and never thought that one day they would have to go back to Pakistan.

The general elections of the legislative assembly were held in early 1972 and Congress came back into power again. Vasantrao Naik, who had acquired a good reputation as chief minister, was re-elected leader of the party and sworn in again as the chief minister. He organized his office and in April 1972 asked me to be his secretary in the new upgraded post in the super time scale of the IAS as secretary to the chief minister. I was perhaps the first such officer in India to hold such a post. Normally, the private secretary to the chief minister was from the secretariat service or a junior-scale IAS officer. But now the secretary to the chief minister in many states is in the upgraded pay scale. The chief minister's personal staff was a competent lot. Nashikakar, the private secretary, was experienced, loyal and dependable and carried out his duties efficiently and with discretion. So were the other two PAs Phatak and Khisti. I had worked with V.P. Naik from 1964 to 1970 as

deputy secretary in the general administration department. He knew me well and I settled down happily in the new post.

I remember meeting him for the first time in 1957 at a reception in Poona because it was the first time I saw a Congress minister in the Bombay government not wearing a white khadi dhoti and a Gandhi cap. He was dressed in a long-sleeved bush-shirt, and smoking a pipe. Before 1956, no minister could appear in public without a Gandhi cap and white khadi clothes. All the officers were, therefore, impressed not only by his informal attire but also by his friendly appearance and free conversation.

He provided long political stability to the state and gave it an efficient administration in contrast to many other states in northern India where there was a marked deterioration in the governmental machinery. He was proud of the Maharashtra administration and would say so with obvious pleasure in Delhi at open conferences.

I was with him till mid-1975. I remember these as some of my best years in service not only because I had the privilege of serving an outstanding chief minister but also because I was given an insight by a master politician on how to run an administration in a democratic state. Usually, civil servants think that a politician is selfish, concerned only with party politics. Vasant Rao showed me how a modern politician works for the public good, within the constraints of a democratic political structure. I had been in my new post only a couple of weeks when I was sent a file from my previous department where as secretary I had made certain recommendations. As secretary to the chief minister I was shown by Vasant Rao how the matter looked from the much wider perspective of the chief minister's office and the government as a whole. Incidentally, as secretary to the chief minister, I suggested to him that my remarks as secretary of a department be modified.

He was always affectionate towards me and insisted that I should not use the small cabin that my predecessors had used. As secretary to the government, he allotted me a room originally constructed for the governor but never so used in the past. He also allowed me to reorganize the chief minister's secretariat in the light of my experience in the central government.

With his permission, I started attending Cabinet meetings and preparing in-house notes on them for him. This had a salutary effect and the message went around that the chief minister's office had its own views. But this also created an unpleasant situation. The finance secretary, Joshi, an ICS officer, complained that his proposals should not

be examined by a junior IAS officer like me. The chief minister, however, bluntly told him that I was not a junior IAS officer and, as his secretary, could give free and frank advice. I also started the practice of recording on the department's files the orders passed by the CM on the basis of the in-house notes prepared by us. Of course, his signature was recorded in cases that were major policy issues or required the CM's personal sanction under a statute or a regulation. In routine cases I recorded orders in his name as I knew how his mind worked but I kept him informed at all times. He always stood by my decision. I liberally followed this practice in sanctioning grants in his name from the CM's Fund. Once, I sanctioned a rather generous grant in his name to the Cancer Patients' Aid Association. To felicitate the CM for this generous gesture, the association arranged a formal function and a film at the Metro cinema. At the event the CM said to me, 'But Deshmukh, I do not remember giving such a generous donation to them!' With a straight face I told him that it was not possible for him to remember everything.

I lived in a flat in the newly constructed multi-storeyed building called 'Sarang'. The building had a curious history. In the early 1970s an attempt was made to remove the minister's bungalows from the reserved garden area in front of the Mantralaya. 'Sarang' was completed in 1972 but remained almost vacant as ministers were not prepared to vacate their bungalows, saying that they were not accustomed to living in flats in Bombay. I countered this by asking why then did almost each one of them want a derequisitioned flat in Bombay? The next excuse was that their privacy would be compromised as in multi-storeyed buildings everyone would know who their visitors were. The wife of one minister pleaded saying, 'My husband brings any number of visitors from his home district at very short notice and I do not know how I will accommodate them all in a small flat.' We had to accept this argument and offered the vacant flats to the high court for its judges, who were happy to move in.

I also became aware of how interested parties try to corrupt influential bureaucrats and also how such bureaucrats should not fall prey to inducements. After I became secretary to the chief minister I started receiving invitations to dinner parties, entertainment programmes, fashion shows and similar activities. I made it a point not to accept any such invitations. Some persons were more resourceful. A prominent department store sent me a message that it would look after all my household needs. Similarly, a well-known petrol dealer

indicated that he would look after my car and related needs. I sent all of them a polite but firm refusal. I had another interesting experience. One day, I received a parcel containing an expensive watch and other imported articles. When I returned them with my thanks to the sender, his office informed my secretary that even though the gifts had been returned, in their list it was already mentioned that they were sent to me.

During the scarcity period, the prices were rising rather steeply and there were processions and agitations. One procession, led by Mrinal Gore and Ahilya Rangnekar, was stopped a short distance from the Mantralaya. The Cabinet meeting that was going on debated whether to send a minister down to meet them, but the ministers were reluctant to face the angry demonstrators. I volunteered to go and the CM readily agreed. Since I knew both leaders, I met them as the CM's personal emissary and they were happy to hand over their representation to me.

The year 1972 was the height of the scarcity period in Maharashtra. There were hundreds of thousands of people out there and Vasantryao had not only laid down an elaborate plan to tackle the scarcity but gave personal leadership as well. I remember touring with him for days together. He was out for a major part of the day in scorching heat and yet never lost his cool. He was firm with the officers but understood their difficulties. I learnt a great deal from him on how to win the respect and affection of the common man. Wherever he went a large crowd would gather around him and he would listen to them patiently. Once the crowd was highly agitated and I was afraid of an unpleasant scene, but Vasantryao, as usual, pacified the crowd by his patience and sympathy, and when we left the crowd cheered him. Details of how he tackled the scarcity conditions have been given by others, who were more intimately connected with this aspect. V. Subramaniam, who, as revenue secretary, was in charge of scarcity relief, has written an authoritative book on this subject. Even Indira Gandhi used to openly refer to Vasantryao's handling of scarcity conditions to all other chief ministers in meetings in Delhi.

Vasantryao's other achievements were many. He is well known as the father of the employment guarantee scheme (EGS), a pioneering scheme in India that many chief ministers and politicians came to Maharashtra to study. Even the World Bank was interested in this concept. Vasantryao was proud of the EGS, which, if implemented strictly, could make Maharashtra a prosperous and thriving rural and agricultural state. The EGS was also used for water harvesting. Percolation tanks were taken up on a very large scale and water levels

in those areas rose considerably after the monsoon. Sharad Pawar, the deputy home minister, took special interest and covered almost all possible sites for percolation tanks in his home taluka, Baramati – which has reduced its dependency on the rains for agriculture and now become a prosperous area because of irrigation. Under the EGS, a nutritive complement was also given in the form of *sukhadi* prepared by Sadguru Sewa of Arvind Mafatlal. This dehydrated powder consisting of jaggery, milk and whole wheat mixed with a little water was highly nutritive especially for young children. Workers were given a fair minimum wage and this made the rural landless labour aware of what they should earn even for working on private lands. As a result their future income increased automatically. A large number of women were also employed and this led to a measure of social awareness among them. Other activities such as adult literacy programmes generated good will. On the whole the EGS not only improved the economic condition in the rural areas but also made the rural population, and especially the landless labour, more aware of the social and political conditions.

We adopted an innovative method to raise resources for the scheme. A surcharge was imposed on profession tax to meet extra demands on the state budget because of the Bangladesh war. This surcharge was continued after the war was over, but the amount was earmarked for financing the EGS. Of course, this was not sufficient to meet the whole burden but it formed the basic core for its resources.

Vasantryao was also enthusiastic about his ambitious monopoly cotton scheme to not only provide quality hybrid seed to the farmer but also ensure a supply of fertilizers and pesticides. Cotton was purchased by the government at a fixed price and any profit made was distributed afterwards. The idea was to put up cooperative ginning factories and for the cotton to be then taken over by cooperative spinning mills. Cottonseed would be crushed to produce edible oil while the seed cake sold as fertilizer. The only drawback of the scheme was that it was too ambitious and, like any public monopoly, highly bureaucratic and susceptible to large-scale corruption. And this is exactly what happened. There were complaints about grading of the cotton and mismanagement in weighing. Selling of cotton is a specialized commercial job and the bureaucracy was not up to it. The monopoly cotton scheme therefore suffered heavy losses. The farmer wanted to sell his produce outside Maharashtra for higher prices, which was illegal as cotton had to be sold within the state and could not be taken outside. This again created

problems and avenues for corruption. Thus, a scheme that was good in principle got undermined when practised. Yashwantrao Mohite, the moving spirit behind this scheme, must nonetheless be given due credit for thinking on these ambitious lines.

Vasantrao paid special attention to hybridization of seeds to increase the output of cotton in the state. The use of hybrid *jawar* was also popularized by him as this was not as susceptible to drought conditions as was the local *jawar*. Even when the rains were scanty production was fair, though the grains turned darkish.

He gave a big boost to dairy development by imaginative schemes of artificial insemination to upgrade the local cattle. He gave full encouragement to Manibhai Desai to set up a chain of cattle-breeding centres with provision for artificial insemination. Milk production increased with higher pricing of cow's milk to the extent that Maharashtra started sending milk to other states instead of getting it from Anand in Gujarat. This policy, however, created a conflict with the National Dairy Development Board presided over by Dr Kurien. The latter's scheme was based on milk cooperatives while in Maharashtra the milk was collected, pasteurized and sold under the government milk scheme.

Vasantrao can truly be described as the patron saint of Maharashtra's agricultural development.

Vasantrao had a knack for carrying everybody, including his political opponents, with him. The opposition would criticize him, sometimes very bitterly, mostly through a sense of frustration, but Vasantrao never allowed this to come between him and them at a personal level. Some politicians from the Marathwada region used to bitterly criticize him for neglecting their region but he always patiently explained to them how he was removing the backlog of development across the various regions of the state. He was one of the few leaders who was respected and liked throughout the state and many politicians of Vidarbha, the region to which Vasantrao belonged, used to say that he had deserted them.

Vasantrao was called a *kulak* by the leftist parties in the state and came to be associated with the rich farmers' lobby at the all-India level. His answer to this was simple and convincing. He wanted agriculture to prosper and for India to become self-sufficient in food production. He never forgot the humiliation when, during the scarcity of the early 1970s, he had to literally beg the central government for additional allocation of foodgrains. He then took a vow that he would make

Maharashtra largely self-sufficient in foodgrains, and said that if the big farmers produced more, we should not grudge it; if encouragement to big farmer gave quick results, it was better than importing foodgrains from outside. He felt that it was good to increase wealth and then transfer some of it to the weaker sections of society through schemes like the EGS. He extended this philosophy to the industrial sector and pleaded with the central government for the establishment of a fertilizer factory in Maharashtra; but this was turned down because the promoter was a big business house. To this he said: 'We do not allow a big business house in India to produce fertilizer, but we do not mind importing fertilizer from a far bigger business house abroad.'

His advice to civil servants was that they should try to understand the common man's difficulties and go out of their way to solve them. It was not necessary that full relief should be given every time, but people would be satisfied if they felt that an honest attempt was being made to understand their difficulties and an equally honest effort was being made to resolve them. In this process, failure was not as important as the transparent intention of trying to help.

Vasantrya was an affectionate and understanding boss. Out on tour with him, he would come at the end of the day to see that each one of us was properly looked after. At his hometown in Yeotmal, we always ate at his house. He would work late at night but never expected others to do the same. His orders were written in a neat hand with his golden ballpoint pen, and signed or initialled with the date. Nashikakar, his senior PA, was a hard taskmaster, always ready with files for him. When tired after a long day, Vasantrya would say that Nashikakar was like a farmer who drove his bullocks mercilessly. But he was very affectionate towards Nashikakar and his other PAs, Phatak and Khisti. The peons used to worship him. Every year, he gave a box of grapes to everyone from his own farm near Poona. During the winter session we would go to his official residence at Nagpur where there would be plenty of halwa, puri and ice cream.

The farmers' simplicity sometimes led to amusing incidents. Once, touring in the Amravati-Akola area, he found that the irrigation potential in that area was not being fully used by the farmers - in stark contrast to the conditions in western Maharashtra. We were holding meetings with farmers to encourage them to take to irrigation. One elderly farmer said, 'Naik saheb, the water in the canals comes after electricity is generated in our dam. This means that you have taken out

energy from the water. Now, how can this energy-less water give us good crop." All of us laughed at his naiveté.

In the later half of 1974 I began to feel that Indira Gandhi was distancing herself from Vasantryao. Though he had started as a protégé of Yashwantrao Chavan in 1963, through industry, administrative capacity and political acumen, he had come to be recognized as a leader in his own right. His efforts to make Maharashtra self-sufficient in foodgrains were well recognized. He became famous across India by the highly imaginative way in which he handled the acute scarcity conditions in 1972-73 when five million people were employed for scarcity relief work. His employment guarantee scheme became a path-breaking step for rural prosperity. By 1974, he had been the chief minister for ten years, an enviable record then. In the beginning Indira Gandhi supported him as a counterweight to Chavan in Maharashtra, especially after 1967. She also treated him as a favourite which I could see at various meetings and conferences held in Delhi. He had easy access to her. By 1974, however, a campaign was started to reduce his importance by alleging that he was pro-Shiv Sena in Bombay. Vasantryao was friendly and on close personal terms with the chief ministers of Karnataka and Andhra Pradesh. I remember my colleagues in the PM's secretariat repeatedly asking whether we were trying to form a bloc of these three states. Devi Kant Barua, who had been a good friend of Vasantryao when he was the petroleum minister, also started playing Indira Gandhi's game when he became the president of the Congress. He unnecessarily picked up a row that he had not been treated with due respect by Vasantryao when he visited Bombay as Congress president. The central leadership started creating groupism, the natural choice being the Marathwada leaders, because there could be no challenge from Vasantryao's area (Vidarbha) and he had also established a good rapport in western Maharashtra. He had done his utmost to look after the interests of Marathwada but its leaders were actively encouraged by the central leadership to openly challenge him. I remember many meetings in Bombay when bitter and even personal allegations were made by the Marathwada leaders against him.

The last time I went with him to Delhi was in February, 1975. The moment I entered the aircraft at Bombay I realized that Vasantryao was in a pensive mood. He asked me what I would like to do and I was intrigued by the question. I went with him to the prime minister's residence at 1, Safdarjung Road. I waited with R.K. Dhawan when Vasantryao went in to see Indira Gandhi. When he came out he said he had been offered the governorship of Bihar. I realized that he was being



asked to step down. I said that he should accept the governorship and not displease the prime minister. This would not be the end of his political life as others like Devi Karasrao had come back into politics. Vasantryao, however, said that he did not want to re-enter politics and would like to keep his options open. He went in and when he came out I knew that he was stepping down and accepting governorship. He resigned on 21 February 1977.

I used to meet him off and on thereafter but never formally. He had a philosophical outlook and spent his days out of office with dignity. I visited him occasionally at his house on Malabar Hill. He was always affectionate. When in early 1977, general elections were announced, he wholeheartedly joined the Congress Party. It is a sign of his political achievement that Indira Gandhi was consulting him when she realized that the going was tough in the elections. I met Vasantryao for the last time in the House in Delhi when, as an opposition MP, he was puffing at his pipe and looking around with detachment to see whether he knew that he would not be with us for long.

S.B. Chavan was sworn in as chief minister on 21 February 1977. Before that I had met him and offered my resignation, but he had said, 'Deshmukh, you are not secretary to Vasantryao but secretary to the chief minister of Maharashtra and should therefore continue.' He treated me extremely well, and never let me feel that I had once served efficiently and loyally his predecessor who also happened to be his antagonist in politics. It was a pleasure to work with him because his style of working was more like that of a bureaucrat than a politician. He studied all the files and passed very clear orders. At Cabinet meetings he expected the minister concerned to explain and defend his proposal instead of looking to the secretary of his department for help and guidance. He became known by a new name acquired by him - Headmaster. Chavan surprised us by shifting to the official residence, Sahyadri, that was lying vacant since the last occupant Kannamvar died in office in 1963. His successor, Vasantryao, had not wanted to occupy Sahyadri as he had thought it inauspicious and it had thus been used as a state guest house. Chavan, therefore, created a good impression by his choice of residence.

The visit to Delhi on 12 June was memorable. The decision of Justice Sinha of the Allahabad High Court was passed that day, disqualifying Indira Gandhi's election to the Lok Sabha as she had allegedly used the services of a government servant, her private secretary Yashpal Kapoor. I was present when Indira Gandhi, Sanjay Gandhi and Shant

Ray, Rajni Patel and the chief minister met at her residence. She was visibly upset, but more so about the assembly elections in Gujarat. Congress had lost there and she was annoyed with governor H.C. Sarin who had misled her by giving a rosy projection. The rest is history. On her advice the President of India declared Emergency late at night on 26 June.

As a fallout of the Emergency there was one curious incident. Piloo Mody, the Swatantra Party leader who had been detained under Emergency powers in Delhi, was brought to Bombay to visit his brother as there had been some serious accident in the family. He wanted to spend the night with him but his police escort was not in favour, apprehending that he might give them the slip. He therefore asked to see the chief minister for special permission. At the Mantralaya I told the escorting officer not to be stupid as it was unthinkable that Piloo Mody looking at his size, could run away even if he wanted to! I went to the CM's chamber and suggested that his request be granted and it was so done.

I strongly advocated that it should be a part of the career development of an IAS officer to spend some time at a minister's establishment. This would not only enable the officer to observe how a politician has to function under a democratic framework, if not constraints, but also to understand his compulsions. It would also teach him where to draw the line, and when not to override public interest for sheer political expediency and gains. I believe it is standard practice in the British and the French systems that the brighter young civil servants are posted to a minister's establishment as a part of their systematic training. It is common knowledge that many top civil servants in these two countries have often served on a minister's establishment. In France, there are several cases of distinguished civil servants later becoming successful politicians. Whenever I mentioned this in Bombay and Delhi, a lot of my colleagues did not agree with my views. They felt that such an approach would only corrupt young promising civil servants and would thus not train them as I advocated.

# 9

## Municipal Commissioner, Bombay

AFTER THREE YEARS AS THE CHIEF MINISTER'S SECRETARY, THE LAST five months with the new chief minister S.B. Chavan, I was now keen to shift. Besides, due to the Emergency the atmosphere in the secretariat was also a bit stifling.

By sheer chance this came through. Madhukar Desai, the municipal commissioner of Bombay, suddenly died in July 1975 and the chief secretary D.D. Sathe suggested my name to the chief minister. Chavan was kind enough to first ask me as he did not want to give me the impression that he wanted to move me. I was happy to accept the assignment, which was normally for very senior IAS officers. The Bombay Municipal Corporation is literally *urbis prima indus* and has a glorious tradition from pre-independence days when its mayors were well-known political leaders and freedom fighters. A galaxy of civil servants had headed it in the past. The annual budget at the time was more than Rs 100 crore, which could be the budget of a small state in India. I was asked to first call on Rajni Patel, president of the Bombay Regional Congress Committee, who told me he was happy at my new assignment as we had known each other for the last three years. I joined in August 1975.

I had realized the importance of having a close and cordial rapport with the political machinery and therefore called on the mayor and the group leaders. The non-Congress corporators were a bit careful, if not uneasy, with me, but I removed their apprehensions by being free and frank with them. This cordial relationship continued till the end of my tenure except for one or two unpleasant incidents. All executive powers

vest in the municipal commissioner and the mayor's is only a ceremonial office even though he is the first citizen of the city. The mayors are highly sensitive about their lack of executive powers and have to be handled with finesse. I had four mayors as they are elected every year – Nanalal Mehta, Murli Deora, Manohar Joshi and Baburao Shete. Murli Deora tried to throw his weight around but he knew his limitations and I had no difficulty with him. Manohar Joshi, however, had rather inflated ideas about the mayor's position and I had therefore to put him in his place in an open meeting of the corporation.

The officers' team was a competent one, with Desai and Gulgule as deputy municipal commissioners, Patwardhan as city engineer, Mulekar as hydraulic engineer and David Pinto, the capable and loyal head of the personal office.

Those were the days of the Emergency, and I had my first brush with it. For purification of drinking water we used to purchase large quantities of chlorine. On the advice of the CM's office I met a man who said he manufactured, in Delhi, a safe and effective substitute for chlorine powder for water purification and that Tamta, the municipal commissioner of Delhi, had already purchased a large quantity. He then added condescendingly that the manufacturing unit was substantially owned by Sanjay Gandhi. I told him that we would buy a small quantity and if found safe and suitable we could negotiate the purchase of a large quantity. When I declined to give him a large order immediately he almost threatened me saying that he would come after a month for the order. I immediately called R.K. Dhawan in Delhi, whom I knew well, and requested him to get me out of this tight spot. After about three weeks he called and said that I could ignore the matter. This, however, had its own aftermath in 1977, when Indira Gandhi was defeated and the Janata Party came into power. The CBI came to me to find out if there had been any interference by Sanjay Gandhi in the affairs of the BMC as had happened in Delhi. They were not satisfied with my story and insisted that I say that there had been interference, but I stuck by my decision and refused to say so.

I knew the Emergency was a draconian measure but I also realized that if some progress had to be made gentle force was required to enforce discipline among staff and to make citizens accept their responsibility. This was especially so in the case of leftist trade unions who were in the habit of going on strike and holding the citizens of the city to ransom. I was therefore compelled, though with great regret and

reluctance, to pick up some union leaders when they refused to obey legitimate orders, especially those affecting the cleanliness of the city. This sent a clear message all across the corporation – *Time* magazine noted that 'the city is looking much cleaner'.

My previous stint as secretary to the chief minister helped me get certain matters cleared through the government, the most important being the long-overdue amendments to the BMC Act. The municipal budget estimates had to be submitted before 10 November the previous year and the process of preparing them had to be started in July. In other words, the budget passed in March was prepared on figures of almost ten months before. I persuaded the government to issue an ordinance that empowered the commissioner to submit the budget estimates by 1 March. Octroi was the major source of the corporation's income but it was volumetric, that is, based on the quantity of the goods taxed. The revenue therefore was almost stagnant and the corporation received no benefit of any price increase or inflationary effect, while its expenditure increased. Hence I persuaded the government to make octroi *ad valorem*. All finance proposals had to be cleared by the standing committee of the corporation and often these were either postponed or discussion continued indefinitely. In the utilization of the World Bank loan, however, I had to observe certain time limits in the commencement and completion of the work. The BMC Act was amended in the case of certain proposals that would be presumed to have been sanctioned by the standing committee if they were not cleared by it within the prescribed time. I was very fortunate to have Dr Rafiq Zakaria as the minister for urban development as he was a great help and support.

The first crisis I faced was the flooding of the city. The initial monsoon rains in June/July 1975 were so heavy that the city was flooded very badly and life came to a standstill for quite some time. A committee under former PWD Secretary, Natu, was set up to suggest measures. The city of Bombay was originally a number of islands that were reclaimed over decades to form one single island. But attention was not paid to the natural courses for the flow of water. Some nullahs and streams were left but they were heavily encroached upon by hutments and were literally full with garbage. The island city had a system of storm water drains that ran under the road surface with *dhapas* (covers) at regular intervals for cleaning them, but this was not done. Natu rightly recommended cleaning of the storm water drains and clearing of the

nullahs, setting up of adequately powerful pumping stations at critical junctions, and upgrading of the Love Grove pumping station. We implemented most of these recommendations in the summer of 1976. Of course, there was one factor beyond our control, viz., if it rained heavily at high tide, the storm water could not go into the sea and therefore collect in the city. We had special arrangements for this, and in 1976 there was no flooding, or if there was, the water receded within a short time.

As is common with any municipal corporation, BMC had its own perennial financial difficulties. Besides octroi, its other major source of income was property tax but this was severely affected by the provisions of the Rent Act that fixed the rateable value at a very low level. All our efforts to have this rectified proved of no avail. I then pushed through a proposal for a special rate of property tax on residential units with a carpet area of 1,400 square feet and above. Grants from the state government were very meagre. We could not get a bigger portion of the government's share towards primary education or from entertainment tax and vehicle tax. We also could not tax the state and central government properties. The financial burden of looking after slums, with the ever increasing demands arising out of the continuous influx of people into the city and consequent pressure on the civic infrastructure, was another vexatious issue. Also, the budget and accounting procedures were not being followed properly. Under the BMC Act the corporation could not have a deficit budget. It was therefore standard practice to underestimate expenditure and overestimate income. The corporators would add their own share while passing the budget. The municipal bureaucracy too did its best to cover the deficit by taking recourse to misuse of the accounting facility of 'sundry advances' and 'suspense accounts'. In my first budget for 1976-77 I made it a point to mention that the opening deficit was about Rs 11.6 crore while the next year's deficit was an estimated Rs 11 crore to which would have to be added Rs 10.6 crore due to the 'G' budget. Thus the total deficit would be Rs 33.26 crore. I knew that such a huge deficit could not be wiped out within one year but the corporation should at least know what it had to deal with. I had to reorganize the chief accountant's department to make it stricter in keeping accounts and auditing them properly. The expenditure on health was going up rapidly, but this was neither noticed nor taken care of as it was merged with the general 'A' budget. For example, it went up from Rs 9.8 crore

in 1970-71 and was an estimated Rs 26 crore in 1976-77, that is, almost one-third of the 'A' budget. I therefore started showing this expenditure separately in a newly started 'H' budget. This had the desired effect and put a brake on the corporators' asking for more money for health facilities. I strengthened the productivity cell not only to lay down productivity norms but also to introduce more efficient procedures and processes and to locate surplus staff as well.

I introduced the concept of performance budget, which indirectly judged the efficiency of the financial outlays and expenditure. To begin with, I took up the health, education and engineering departments. The concept of management by objective, new to the corporation officials, was got across by the productivity cell. Payroll and provident fund accounting were computerized and gradually all other activities were also covered. This not only gave us better control but also some savings. For example, we adopted computerized designing and preparation of estimates for construction projects and saved our consumption of cement and steel by almost one-third. I felt happy that the financial position of the corporation in the last year of my tenure was definitely much better than when I took over. In the budget for 1978-79 the real deficit was about Rs 5 crore which I proposed to meet by recommending measures to mop up extra income of Rs 4.25 crore.

The cleanliness of the city had been a nightmare for all the municipal commissioners. We commissioned a special study on how to improve the entire departmental working. The department's name was changed to Solid Waste Management Department, headed ironically by a man named Attarvala (a dealer of perfumes!). We not only gave enough manpower to him to improve the collection of garbage but also better implements to the field staff that reduced the two-person gang to one. Initially, we bought about five compacting machines for more efficient transport of garbage to the dumping grounds and increased this number later. The staff was given gloves, raincoats and gumboots in the rainy season. We increased the number of mustering chowkis for the staff from sixty to almost 120 to reduce reporting time. I visited the sweepers' housing colony in Tardeo and was aghast to see their dirty condition, overflowing toilets, among other things. We made special efforts to improve the surroundings of all the sweepers' colonies and generate among them an awareness of the need for cleanliness. I appointed public-spirited citizens in charge of certain streets and localities and gave them the names of their local sweepers. They were

also given stamped envelopes addressed to the conservancy supervisor to send their observations and suggestions. We increased the pace of conversion of baskets and other types of privies into flush types because of the availability of the sewerage system. In the first year we even launched prosecution in about 600 cases. We also recommended revival of mobile courts for on-the-spot trial and punishment of those not maintaining proper sanitary sites and for dirtying public places. Our more important dumping grounds were at Deonar in the east and Malavni in the west. A special checking mechanism was introduced to ensure that the garbage trucks carried maximum load and spread it evenly. We also started work on putting up a compost-making plant at Deonar. I make no claim of making the city clean but I can certainly say that it became much less unclean.

The slum population in the city had increased by leaps and bounds and it was estimated that 40 per cent of the population was living in slums. In Madras I saw the work of census of hutments and ordered a similar census on municipal lands. Curiously, this was not taken to kindly by Prabhakar Kunte, state minister for housing who came from Bombay. He did not like a bureaucrat taking credit for the initiative and announced that the government would conduct a census of the hutments on government, municipal and housing board lands. I had no quarrel with this as we were interested only in sorting out the problem. This census was completed in January 1976. The census of hutments on private lands was finished in August 1976 and that of central government lands in October 1976. The idea was to give identity cards to these hutment dwellers, and demolish the hutments of those without such identity cards. On our recommendation the government passed an act in November 1975, prohibiting unauthorized hutments and ordering their summary eviction. With the magnitude of the problem identified, it became easier to devise measures to tackle it. The first was to give basic amenities like drinking water, toilets, garbage collection, education and health care. As for reconstructing the hutments there were two views: one, to give the dwellers sites and services, and the other, to give them constructed houses. Both approaches were adopted but with different results. I immediately appointed two ward officers in charge of slum improvement only and later supported them by site-wise project managers. All this imposed a heavy financial burden on the corporation. Though given Rs 9 per hutment for maintenance by the government, the corporation was spending Rs 3 crore of its own – and this burden



would progressively increase in the coming years. We had to relocate some of these hutments on municipal lands for undertaking various civic projects and activities and for this we selected Deonar in the east and Malavni in the west and gave them sites and services and all essential civic amenities like conservancy services, schools, water, street lights, toilets etc. Special arrangements were made for giving mid-day meals in the primary schools. We also appointed project officers for Dharavi, Malavni, Jogeshwari and Deonar to look after other aspects of development like employment possibilities and welfare activities and essential infrastructure like libraries and banks. Socio-economic surveys were sanctioned. There was also a proposal to run subsidized bus services from these areas to the nearest railway station. We tried to encourage setting up of small-scale industries but unfortunately this did not materialize. All these steps also covered most of the slums on state government and corporation lands but nothing much could be done for those on private and central government lands as there were certain legal difficulties.

The hutment dwellers already included in the census were protected from demolition of their abodes. This meant that after the census in January 1976 no new slum could come up and unauthorized hutments were to be demolished. But this deadline was later extended from year to year by the government. During my tenure, however, we took very strict action on demolition, but in some cases even I had to adopt a soft attitude. Once when some unauthorized hutments were being demolished in the Kurla area, an old woman cried that if her hutment was demolished she would have to go back to her village with her two young daughters who were not safe there as they were scheduled caste and would be harassed by the upper caste Marathas. I had to give orders not to demolish her hut. I also noticed a curious phenomenon. Many people used to come from Bihar and Uttar Pradesh to work. In the beginning one or two men would come alone. Later they would call all their male relatives who would then be followed by the family members. In one case I found that literally a whole village population had shifted from Uttar Pradesh. I noticed that politicians always interfered with the demolition of hutments because they treated them as their vote banks. I made a suggestion to the government that those living in unauthorized slums should not be registered as voters or if at all they were to be registered, they should be from a designated constituency like Dharavi, Malavni, Jogeshwari or Deonar. Predictably, this did not find favour with the government.

The corporation had established a huge and complex health infrastructure at a massive cost through its budget. As on 1 January 1977, there were 116 dispensaries, 22 mobile dispensaries, 23 maternity homes with 826 beds, 14 hospitals with 5,149 beds, a TB hospital with 1,130 beds and an infectious diseases hospital with 680 beds and these together employed 2,600 nurses. The corporation set up medical and dental colleges also. The number of daily out-patients was roughly 40,000. I sanctioned a medical relief plan for the city to ensure that there would be a dispensary for every 50,000 of the population within a radius of 1.5 km. A group of such dispensaries would be serviced by a small 125-bed hospital with specialized hospitals at the apex like the KEM, Sion, Bhagwati and Rajawadi hospitals. Full-fledged dental clinics would be established in both the suburbs. Two nursing schools were planned and the Directorate of Nursing Services was established. The maternity homes would have attached laboratories. Certain super specialties would be started in the suburban hospitals to obviate the need for patients to come to the city hospitals. The central ambulance service was also started. Sarvodaya Hospital in Ghatkopar was taken over to give relief to the orthopaedic wings in the various city hospitals. All these medical relief measures were essential and looked impressive and desirable. But I had to ensure that expenditure on preventive health received adequate attention compared to curative health measures. I proposed that the proportion of expenditure be 40:60. I also repeatedly made efforts to levy charges from those patients who could afford to pay. As a beginning we wanted every out-patient to pay a modest form fee. But there was stiff resistance. It was proposed that since the health facilities were run purely on corporation resources those not paying corporation tax should pay the health charges. But this was considered as anti-non-Bombay people. We did introduce some innovative health measures – for instance, we prescribed Vitamin A injections for every child born in any municipal hospital for prevention against eye disorders and blindness. We also started an immunization campaign and gave a card to every mother coming to our hospitals so that she could come for regular treatment for the child. All schoolchildren were given regular health examination and teachers had to undergo anti-TB tests. With air pollution assuming serious proportions in certain parts of the city like Chembur and Lalbaugh. A Pollution Control Cell was established in July 1976 and pollution clearance stipulated before starting any new factory. An analytical laboratory for air pollution was to be set up at Worli.

Like health, the corporation's education infrastructure was vast and almost all the expenditure was borne by it alone with not much help from the state government. The corporation looked after about 1,120 primary schools in 1977-78 giving education to 5.5 lakh students in ten languages. Grant-in-aid was given to 285 schools with about 10,000 students. The student population increased every year by about 15,000. We proposed the establishment of a commission to look into the entire education system, not only because the expenditure was mounting from Rs 10 crore in 1971-72 to about Rs 17 crore in 1975-76 but also because the dropout ratio was about 50 per cent. There were schemes for mid-day meals and free textbooks for deserving students. But all said and done this was a daunting problem and one felt helpless and most unhappy at not being able to do enough for the young. The condition of many school buildings was deplorable and we advocated the scheme of 'adoption of schools' by groups of citizens. We also started vocational training classes for dropouts to be conducted in the evening in the school premises itself.

There was so much to be done for the city. I would review all these issues in my speech to the standing committee on the budget estimates before they were sent to the corporation for approval. It was almost like the budget speech of the finance minister and was much appreciated not only by the corporators but also by the general public.

Citizens are closely concerned with the civic services but unless they also take interest in them these matters cannot improve. As a Bombayman, I have watched more in sorrow than in anger the deterioration of city life over the years since I was first posted there in 1963. The neglect and abuse of the city was shocking. Why did not the citizens who are otherwise decent and sensitive, not protest if not rebel? In my own way and wherever possible I did my best to sort out the problems and help the city. Similarly many others must have done whatever was possible for them. All these however are individual efforts and a drop in the ocean. I only hope that the citizens of Bombay start thinking about this great city of theirs. I have great faith in the younger generation of the city as the senior citizens have missed all opportunities available to them.

I initiated several new steps during my tenure. The citizens had many grievances and complaints against civic servants and civic services. I therefore opened a post box in my name in the nearest post office and gave wide publicity through the public relations officer, Pandit, that any

citizen could write to me directly, care of this post box, and that all letters would be read by me. A direct communication link was established between the citizen and the municipal commissioner. The response was good so we set up a regular control mechanism to investigate grievances and give proper relief. This had a salutary effect on our anti-corruption campaign as well. Corrupt civic staff knew that they could be exposed directly to the municipal commissioner. Cases of corruption were investigated through the vigilance department and this sent a warning signal across the corporation. I would not say that we were able to root out corruption but it was controlled considerably and the citizens felt that if they complained they would at least be heard. During my first two years twenty-two cases were referred to the Anti-Corruption Bureau; thirty-four employees were removed and five were dismissed; sixty-one were suspended pending enquiry. There are any number of touts who make money by claiming that they will get the work done. I had a curious experience. My brother was approached by a man who said he knew the municipal commissioner's son and could get anything done. Naturally, the man did not know he was talking to my brother. I immediately asked the PRO to publicize this and ask the citizens to report anyone claiming to know me or my family. Incidentally, I had no son. I made it a practice not to accept any invitation or gifts from municipal contractors. The only exception was Diwali. Here too the flowers received were given to the children's ward in the municipal hospitals and the sweets and crackers distributed among children in the sweepers' chawls.

Special attention was given to development of open spaces into gardens and playgrounds. Seventy-six new gardens were developed. The superintendent of gardens was given three deputy superintendents to assist him and the staff at the ward level adequately strengthened. A new nursery was established and trees were planted on a large scale during the rainy season. We also started naming certain roads after the trees planted there – like Gulmohar Road in one of the suburbs. About six new parks similar to the famous Shivaji Park were developed in different parts of the city. About fifty public fountains were built. The zoo in Jijamata Udyan in the middle of the city not being too congenial for animals, a new zoo covering about 300 acres was planned in the eastern suburbs.

A directorate of sports was established to look after the various corporation playgrounds in the city, each with a small stadium, changing

facilities, a storeroom, and a coach. The number of municipal swimming pools was increased from three to five. Two municipal sports complexes were planned, one in Mulund in the east and the other at Andheri in the west. A directorate for cultural affairs was set up to look after the Birla-Kreeda Kendra at Girgaum-Chowpatty, the Dinanath Mangeshkar Theatre in Vile Parle, and the open-air theatres at Rang Bhavan and at Prabodhankar Thackeray in the suburbs. A drama academy was planned at the Bombay Glass Factory in Dadar with a theatre and residential facilities for the artists. An art gallery on the lines of the Jehangir Art Gallery was planned at Bandra.

The corporation also took an active interest in preserving historical monuments and buildings in the city. Many such buildings were being sold by their owners to builders who pulled them down and put up new modern structures. Some old buildings were falling into disrepair for lack of maintenance. I started with a modest provision of Rs 10 lakh in the 1978-79 budget. The municipal commissioner's bungalow itself being a heritage building, I had it painted in old colonial style and installed some antique lamps and other fixtures. The official drawing room was furnished in the same style. I also advised the mayor to redo his bungalow in Dadar on the same lines.

We had applied for a World Bank loan for the urban transport project. I went to Washington in 1976 to negotiate it and was successful. We were to get about Rs 11 crore for implementing thirty-four projects, including construction of flyovers and subways, and purchase of new buses. The flyovers in the city were constructed during this period on a planned basis.

The development plan was due for revision and we adopted an aerial survey system for mapping purposes. We studied the concept of a rolling development plan as well, having learnt from experience that we should have revised the old development plan when the Backbay Reclamation area was developed at Nariman Point and Cuffe Parade.

We had a sister-city network. For Bombay the sister cities are Stuttgart, London, New York, Los Angeles and Yokohama. I visited them in 1976 and all the mayors there were most delighted to receive me. The son of Field Marshal Rommel was one of them. The mayor of Yokohama later became one of the top leaders of Japan.

My posting as municipal commissioner was a most satisfying one. It gave me a huge budget and a vast machinery to do something for the city, which was my second hometown. Without being immodest I can

say that the people of Bombay gave back to me in ample measure their love and respect for whatever I could do for them during my tenure of three years. This, however, had an entirely unconnected result. When the general elections to Parliament were announced in 1977 the Congress realized that it was not going to do well in Bombay. Vasantrao Naik offered me a parliamentary ticket but I had to decline as I was not ready to enter politics then. Politics knocked at my door again in 1990 when I was principal secretary to the prime minister, V.P. Singh. The chief minister of Maharashtra, Sharad Pawar, offered me a cabinet ministership in charge of Bombay. Again I had to refuse the offer as I was not prepared to enter active politics.

# 10

## In the Home Ministry

*I* WAS TO COMPLETE MY NORMAL THREE-YEAR TENURE AS MUNICIPAL commissioner of Bombay in August 1978. It could have been extended if I had wanted but I was not keen to continue for a fourth year. In fact, I wished to leave earlier, in May, so that my daughter's education would not suffer when the new academic year started.

With the chief minister's permission I went to Delhi and met the principal secretary to the prime minister, V. Shankar, who knew me well as he had been my collector in Banaskantha in 1955. He immediately called Nirmal Mukherji, the cabinet secretary, whom I had known when both of us were in the department of personnel in 1970. Nirmal said there was a vacancy of additional secretary in the home ministry and if I was interested he would call Shrinivas Vardhan, the home secretary. I readily agreed.

The chief minister was a little reluctant but then agreed as B.K. Chougale, secretary to the chief minister, wanted to be the new municipal commissioner. Accordingly, I joined the union home ministry in May 1978.

Charan Singh was the home minister. Suffering from a heart ailment, he had been discharged from hospital in April but was resting at Surajkund on the outskirts of Delhi. Dhanik Lal Mandal was minister of state but the home ministry apparently was getting instructions from the PMO. I called on the prime minister, Morarji Desai, at his residence on Safdarjung Road and reminded him of my first meeting with him at Bhiwandi in 1953 when I was assistant collector. He was extremely cordial with me and enquired what posts I had held during the last ten years.

In June 1978, Charan Singh wrote a vitriolic letter to the prime minister calling the cabinet 'a collection of impotent men who were afraid to bring Indira to justice'. The prime minister asked for his resignation and took charge of the home ministry himself.

I benefited from Morarji Desai's phobia about prohibition in a curious way. I had applied for membership of the Delhi Gymkhana Club, which would have taken at least a year. But at the time the club's finances were under tremendous pressure as its income from the bar had almost disappeared. It was, therefore, freely admitting new members and I became a member within weeks.

Delhi in those days was in a flux. The euphoria created by the formation of the new Janata Party government in 1977 was visibly on the wane. People had started perceiving that the only object of the government was to harass and persecute Indira Gandhi and the Congress. Since she was no longer a member of Parliament she could not claim an official residence. In a rare gesture of large heartedness the government allocated 12 Willingdon Crescent, vacated by Mohammed Yunus, but on the basis of market rent which was very high compared to the usual nominal rent charged for official residences. The home minister, Charan Singh, had even made a statement in May 1977 that she had 'planned or thought of killing all opposition leaders in jail during the Emergency'. The Shah Commission court became an open theatre where she was literally in the docks. She was arrested in October 1977, but the whole incident turned into a farce. This was the beginning of her comeback trail. Congress (I), which she formed in January 1978, won thumping majorities in the state elections in February in Karnataka and Andhra Pradesh and could form a coalition government even in Maharashtra. She herself was elected to the Lok Sabha from Chikmagalur in November 1978.

Processing of the Shah Commission Report was one of my charges. It was submitted in March/April 1978 and we were asked to examine it quickly and thoroughly so that action could be taken, especially against Indira Gandhi. This was a rather unpleasant task for me. I sent a message to R.K. Dhawan that the report would be examined by me fairly and dispassionately and not in a vengeful spirit as was expected by the Janata government. I remember the first circular issued by us. It was regarding unauthorized piloting of commercial planes. The commission had found that Rajiv Gandhi had piloted an Indian Airlines flight to Tirupati when he was only a passenger.



I was also in charge of the police division and Jyotish Pandey, an upright IPS officer, my joint secretary, would brief me regularly about the law and order situation. He was succeeded by Suryakant Jog, a fine IPS officer from Maharashtra and a great asset.

Jyotish Pandey was rather worried about the situation in Punjab. The Akalis had come into power after ending Congress supremacy in Punjab almost continuously since independence. The Congress was trying to regain its influence and was building up Bhindranwale as a counterforce to the Akalis. The reading in the home ministry was that the Congress was creating a monster who would one day devour the Congress itself. Elections to the Shiromani Gurdwara Prabandhak Committee (SGPC), which controlled various gurdwaras, had not been held for a long time. The Janata government, of which the Akali party was a partner, decided to hold them early. There were some difficulties in finalizing the electoral rolls. A retired judge of the Punjab High Court was put in charge of the elections, which were conducted and concluded peacefully. Here too the Akalis scored high. After some time I visited Punjab and found the condition peaceful, in Amritsar too, with no apparent sign of militancy. I told my joint secretary this but he insisted that the calm was deceptive and that there were undercurrents that were causing us anxiety.

Under Dhanik Lal Mandal's supervision I was to look after the scheduled castes and scheduled tribes section and also other backward classes (OBC). One of the important points in the Janata party's election manifesto was to ensure welfare and advancement of the backward classes. Article 16 (4) of the Constitution was the basis for this and the manifesto had promised to reserve 26-33 per cent government jobs in accordance with the Kalelkar Commission Report. The home ministry was expected to implement this but we found that the prime minister was not overly enthusiastic about implementing it. In spite of our repeated efforts nothing happened. Under instructions, therefore, we proposed the appointment of a commission to investigate the conditions of the socially and educationally backward classes and make recommendations. The prime minister accordingly announced in the Lok Sabha in December 1978 that a Backward Classes Commission under the chairmanship of P.B. Mandal (MP), and consisting of four other members, had been constituted. It was asked to present its report by 31 December 1979. The issue of reservation of posts for the OBC was thus set aside in the home ministry.

To help improve the conditions of the scheduled castes (SC) and scheduled tribes (ST), the government set up a multi-member ST and SC commission in place of the single ST and SC commissioner. The atrocities perpetrated against the SC and ST caused us acute anxiety. Despite innovative schemes like Antyodaya and others started to give them protection and relief, these people were suffering badly. Due to the general deterioration in the law and order situation anti-social elements had become very active in the rural areas and incidents of atrocities against the weaker sections were becoming very frequent and more violent. Maybe one of the reasons was that the vote bank of the Janata government included several affluent and powerful OBCs, such as the Jats, Ahirs and Yadavs, who were more aggressive towards the SC than were the higher castes. Also, the government was taking steps to implement the Minimum Wages Act and as most of the weaker sections were landless labour, landlords were bent upon subjugating them by muscle power. There was a notorious incident at Belchi where many harijans were burnt alive. Ram Dhan, an MP and an important member of the Janata Party, belonged to the SC. He vehemently accused Charan Singh and his OBC supporters as being oppressors of the SC.

I had two highly committed IAS joint secretaries in this division, Krishnan for SC and Bhupinder Singh for ST. In fact, at various inter-ministerial meetings Krishnan was so aggressive that I had to quieten him and explain his fierce commitment to the issue to others. Bhupinder had a different approach – he carried everybody with him. Both of them closely monitored the atrocities involving SC and ST and kept a tight check over the information received and actions taken by the state governments in terms of, among other things, development schemes formulated and undertaken for these communities. Frequent visits were made to various states to ensure that the schemes were being efficiently implemented and the benefits really accruing to the SC and ST.

Morarji Desai, as home minister, visited Ahmedabad and found the governor of Gujarat, Sharda Mukherji, still living in Ahmedabad Raj Bhavan and not in the state capital, Gandhinagar. He was displeased and asked me to take suitable steps. All the expenditure on Raj Bhavan is met from the state budget, while sanction limits and details are laid down by the home ministry. I sent an oral message to the secretary and the comptroller to the governor that from the following year we would not sanction any amount for the Ahmedabad Raj Bhavan but only for the Gandhinagar Raj Bhavan. This had the desired effect and the

governor decided to move to Gandhinagar. An amusing incident occurred during the same visit. At an official lunch arranged by the state government for the prime minister, we found to our horror that the glasses provided by the caterer carried the name of a famous whisky brand. I asked the Gujarat officer to remove the glasses immediately, for if the prime minister saw even a single glass the whole state government would be in trouble!

The home ministry deals with interstate disputes. The border dispute between Karnataka and Maharashtra centred around the city of Belgaum. Maharashtra claimed this area because of the preponderance of the Marathi-speaking population but Karnataka had been given this on the recommendation of the Mahajan Commission. This dispute had been going on for more than twenty years. In July 1978, Sharad Pawar became the chief minister of Maharashtra. Since I knew him well I met him in Delhi and explained that as it was almost impossible for Maharashtra to get Belgaum, the state should gracefully accept the decision and its other claims could easily be conceded. As for Belgaum's Marathi-speaking population I suggested that Maharashtra set up a new township called New Belgaum just across the border and develop it into an educational and industrial complex. But this dispute still remains unresolved.

I squeezed in a visit to the picturesque himalayan state of Sikkim and met the young Chougyal. He was an intelligent man with an impressive personality. He explained some of the financial matters pending decision with the home ministry, and I promised to do whatever I could. In Delhi his lawyer explained to me in detail her client's case and I was satisfied that he should be given the relief he was asking for. I accordingly asked my officers to process the case.

The term of B.D. Jatti, vice-president, finished in 1979 and we had to arrange for his journey back to Karnataka. We had planned to get a railway saloon for him with an attached wagon for the household goods but we were now faced with a ticklish problem. Part of the household was a cow that Jatti worshipped every morning. The deputy secretary in charge wanted to know how to send the cow. I suggested that we get an open cattle-wagon and send an attendant with the animal. I have forgotten now how the whole thing was sorted out.

Communal situation was warming up. The Nirankari-Akali conflict had taken a heavy toll in Amritsar, Kanpur and Delhi. There were minor riots between Hindus and Muslims at many places where of course both

Hindu communalists and Muslim fanatics were to be blamed. Since Jan Sangh was a partner in the Janata party, the riots in those places where their workers were involved attracted a great deal of attention. In the Aligarh conflict, Navman of the RSS-Jan Sangh group played a notorious part and had to be removed from the party as president of the local Aligarh unit.

The Jamshedpur riots in April 1979 were horrendous and fully exposed the failure of the Karpoori Thakur government. Over a hundred people were killed in large-scale violence and the Bihar Military Police came in for severe criticism. The Hindu procession led by Jan Sangh MLA, Dinanath Pandey, deliberately provoked the Muslim community by indulging in vulgar exhibitionism in their locality. Pandey was held responsible for the trouble, even by the Jan Sangh office bearers.

Morarji Desai's usual approach to the problem of law and order was that it was a state subject and the states should take care of it and control it; the central government should give them paramilitary help but the states should not depend entirely on this or blame the centre if such help was not given. Maybe this was the result of the over-centralization in the previous Congress government, especially during the Emergency. The police had become accustomed to using undue force during the Emergency and the state governments were now taking action against them. This created a rift within the forces.

After Indira Gandhi's arrest in December 1978, violence was widespread. Twenty people died in firing and about 1.2 lakh were jailed, and there was large-scale damage to public property. In Andhra Pradesh, the Naxalite trouble was just raising its head. There were strikes and agitations by students of the Banaras Hindu University.

There was a general feeling that both the state and central governments were averse to using force to put down anti-social and unlawful activities. Added to this was large-scale political instability. In the three states with Charan Singh's party there were changes in the chief ministership. In Bihar, Karpoori Thakur was removed, in Uttar Pradesh, Ram Naresh Yadav was replaced by Banarasi Das, and in Haryana, Bhajan Lal pushed aside Devi Lal. In Madhya Pradesh, there was fighting within the Jan Sangh and rivalry between the factions of Kailash Joshi and Saklecha. In Assam, there was an agitation against the chief minister, Golap Barborā. In Karnataka, the Congress expelled Devraj Urs, while in Maharashtra, Sharad Pawar pushed aside Vasantdada Patil.

We were becoming worried about the general breakdown of law and order in the absence of leadership in the states because of the volatile political situation. The unrest amongst the state police led many elements to agitate for forming unions on the pattern of trade unions and they were getting indirect encouragement from some in the Janata party itself. A meeting of chief ministers and home ministers was held in Delhi to discuss this and other police matters. Our internal brief in the home ministry was to oppose the formation of unions as we did not favour them in the uniform force. To our surprise, the Rajasthan chief minister, Shekhawat, took a strong stand against permitting unions to be formed within the police.

We were somehow managing by sending paramilitary forces wherever the states required it. But here too the situation was changing fast. Normally, Central Reserve Police (CRP) battalions are sent for internal security duties, but during the communal riots in Aligarh there were no CRP battalions in reserve. The cabinet secretary asked me to spare one Border Security Force (BSF) battalion immediately. Though I was not in favour of this as the BSF had till then not been used for any internal security duty, the cabinet secretary insisted and I had to comply. This was the beginning of the BSF's involvement in internal security with the CRP.

I visited various group centres of the BSF and CRP in Punjab and Rajasthan. They had many grievances regarding pay scales and other facilities, especially housing for their families. However, the CRP's main grievance was that they were kept continuously on the move, being sent to different states all over the country, especially in the north. Normally, a CRP battalion returns to the home base, i.e., group centre, once a year for rest and training; but many battalions had not enjoyed this break for years. They called themselves not Central Reserve Police Force but *Chalte Raho Pyare Force* (Keep On Marching Friend Force). Discontent among the force, though expected, really exploded in June 1979. Like the state police, they too wanted to form unions. The wireless communication wing of the CRP had a large number of educated personnel from the south with leftist tendencies who, indirectly encouraged by the leftist and socialist elements in the Janata party, openly demanded union rights and even started a campaign in the group centres and battalions. When we tried to enforce discipline, this ignited a spark.

The trouble started at the CRP group centre in Pallipuram in the south and spread rapidly throughout the country. The group centres kept

in touch with each other and their battalions through the wireless network and used it widely to spread the movement. We managed to control the situation with the help of the local armed police, the BSF, and, in some cases, the army. The Group Centre at Zaroda Kalan in Delhi became a focal point of the agitation and the discontented elements took over the armoury. Fortunately, Dadabhoy, a highly competent officer, was in charge of the Delhi Range and also deputy director of operations. He had the full confidence of his men and with the help of the army brigade from Meerut quietly took over the armoury and brought the Group Centre fully under control. Nonetheless, the whole affair was really touch and go, and if something had gone amiss, there could have been some terrible incident.

There was trouble in the Central Industrial Security Force (CISF) at Bhilai too. The jawans opened fire on their officers and had to be disarmed with the help of the local armed police. Fortunately, BSF was not affected as it was deployed along the Indo-Pakistan border.

We learnt a hard lesson. We asked Dadabhoy to work out a suitable package of relief measures and emoluments and other facilities for the CRP and also asked the directors-general of other paramilitary forces to take similar action. This continued throughout 1979 and into 1980.

Another lesson that political parties must learn is that the home ministry is too sensitive to be left leaderless. From June 1978 to January 1979, the prime minister held additional charge of the home ministry. The minister of state was a novice and thus unable to give any meaningful support. In January 1979 Charan Singh was brought back as finance minister and deputy prime minister, replacing H.M. Patel, who was shifted to the home ministry to accommodate him. He was a distinguished civil servant but the home ministry required political acumen and experience. He must have also felt unsure because of the internal rumblings within the Janata party and the uncertainty about how long the party would remain united and run the government. As it happened, Morarji Desai resigned on 16 July and Charan Singh formed the government but with help from Indira Gandhi's Congress. The new government was sworn in on 26 July 1979, and Yashwantrao Chavan became home minister and deputy prime minister. Even he, distinguished and experienced politician that he was, could not have felt very sure of his stewardship of the home ministry. Charan Singh said that Indira Gandhi had given him unconditional support but everybody knew that she was really aiming at an early mid-term poll. The president

gave one month to the new prime minister to secure a confidence vote in the Lok Sabha. Charan Singh found he had no hope of winning the confidence vote during this period. He therefore decided to resign as prime minister and advised the president to dissolve the Lok Sabha and call for elections. Yashwantrao Chavan agreed with this as he feared that his own supporters might defect to Indira Gandhi's Congress. The general elections were called in January 1980. Charan Singh's government thus became a purely caretaker government.

As a sidelight to politics, Charan Singh asked me to prepare a type design (plan) for a minister's bungalow. When I showed him my plan, he laughingly said that I did not know what a minister really needs. He asked me to add to my design a hall where about twenty-five people could stay temporarily. His reasoning was that all ministers received a number of visitors from their constituencies and they found it difficult to accommodate them. There should, therefore, be such a facility in the minister's bungalow itself.

As far as the home ministry was concerned Yashwantrao Chavan presided over it and ensured that law and order was maintained as fully as possible. But the political situation continued to be fluid and people openly started asking for the return of Indira Gandhi. The agricultural season was not very favourable and prices during the four months preceding the general elections registered the highest increase in corresponding periods since independence. Indira Gandhi's slogan that only she could provide a 'government that works' caught the imagination of the people.

Chavan's method of work was very sound. He carefully read through all the files and papers sent to him and gave clear and detailed orders. He held meetings of all senior officers first thing in the morning whenever he was in Delhi and all important matters were raised and discussed. Everyone was free and even encouraged to raise issues and give their free and frank opinion. At one such meeting L.P. Singh, the governor of Assam, said the conditions in the state were not at all suitable for holding the general elections in January because of the so-called anti-foreigner agitation. I disagreed and said that not holding elections would be conceding defeat to the agitators and that we should hold elections at least in those constituencies where it was possible to do so. The governor was asked by the home minister to review the case. President's Rule was, however, imposed in December and the assembly was kept in suspended animation.

The results of the general elections were a foregone conclusion and Indira Gandhi's Congress came back with a solid majority of 253 seats. Chavan's Congress won only 13 seats. Charan Singh's Lok Dal won 42, the Janata party 31 and the Leftists 47. Indira Gandhi was called on 6 January by the president to form the government but she waited till 14 January, which was an auspicious day!

Giani Zail Singh was the new home minister and Yogendra Makwana from Gujarat, the new minister of state. Senior bureaucrats were anxious as we knew that the new government would start a cleansing process and bring back bureaucrats pushed out by the Janata government because of their alleged proximity with the Congress government before 1977 and especially during the Emergency, and, conversely, push out those brought in by the Janata government and especially those who were overtly working against the Congress in general and Indira Gandhi in particular.

Nirmal Mukherji, cabinet secretary, was allowed to complete his three-year tenure. Curiously, the secretary to the former prime minister was also retained. But there were many other major changes: S.M.H. Burney who was the Information and Broadcasting secretary during the Emergency was brought in as home secretary and Shrinivas Vardhan removed. Mathur, director, IB, was sent back to Punjab and replaced by Rajeshwar Rao. Important ministries also were subjected to a similar process. S.M. Ghosh, who was in the industries ministry, and had apparently helped Sanjay Gandhi's Maruti project, was brought back as secretary, industries; S.S. Siddhu was posted in the Department of Defence Production; S.S. Bhinder was brought back as commissioner of police, Delhi; P.K. Kaul became the commerce secretary. These are only some cases from among the large-scale shifting. My own promotion was also expected, but this of course depended on the new government, and especially on Sanjay Gandhi not looking at me with jaundiced eyes. I had worked in the home ministry without fear or favour and without prejudice for or against anybody, and in a most apolitical way. This may have saved me in the beginning but I was also fortunate in gaining the confidence of Zail Singh and Yogendra Makwana. There was no change in my work but I saw that the home secretary was taking on more work directly upon himself, especially law and order. This was a blessing in disguise as the law and order situation during 1980 was highly unstable and a cause for anxiety.



Regarding the unrest among the paramilitary forces, we finalized a number of measures for improving their emoluments and allowances and also the facilities in the group centres. We also created new group centres so that the paramilitary battalions would have more infrastructure to look after the welfare of the jawans and their families. At the end of 1980, I travelled extensively in the North-east and visited the Assam Rifles Battalions to understand their difficulties and problems. We felt that on the whole we had taken care of the grievances of the paramilitary forces and made them happier and, consequently, more efficient and loyal. It was most unfortunate that demands for the deployment of CRP and BSF for internal security duties started increasing during 1980 and these forces came under heavy strain.

Makwana enthusiastically supported our efforts in refining and strengthening welfare measures for SC and ST, and among other things, not only centrally sponsored schemes of the home and other ministries but also of state governments. The intention was to have especially structured sub-plans for target SC and ST groups in specific geographical areas. It was a new concept as it delineated separate development and welfare schemes for these communities, which could then be given special attention; under general development welfare schemes the interests of these communities have often been lost sight of. Both my joint secretaries, Krishnan and Bhupinder Singh, did excellent pioneering work, constantly supervising and monitoring, and visiting various states for on-the-spot guidance and scrutiny. Makwana's keen interest in this was a great help at the political level while dealing with the state governments.

Moradabad, about a hundred miles from Delhi, is a prosperous town dealing with brassware, handicrafts and other products. The communal holocaust at Moradabad first broke out on 13 August. While prayers were on at the local dargah, a pig strayed into the crowd. The congregation thought that this mischief had been perpetrated by a nearby police picket and so they attacked the police. The trouble continued for over a month. The number of lives lost in firing and communal frenzy reached about a hundred and fifty. I rushed with paramilitary forces to Moradabad and was aghast to see the damage to property. The law and order situation was so tense that I too had to take an escort on my drive back to Delhi after dark. Giani Zail Singh also visited the site and had a heated argument with V.P. Singh, the chief minister of Uttar Pradesh at the time.

I had already started a detailed study of the communal trouble-spots in the country. I felt that we dealt with disturbances when they arose but there was no follow-up to ensure their non-occurrence. My suggestion was that we identify some of the trouble-spots – for instance, Moradabad, Aligarh, Kanpur and Meerut in Uttar Pradesh; Jamshedpur in Bihar; Malegaon and Bhiwandi in Maharashtra; Godhra in Gujarat; Hyderabad in Andhra Pradesh – and carry out economic, social, educational and cultural surveys of these places to find out what were the real causes for communal disharmony.

In many places, such as Moradabad and Aligarh, Muslim workers did not earn fair wages while Hindu financiers and traders reaped the real profits; this inevitably led to tension between the communities. Then, Muslim youth were not properly educated and faced unemployment, which thus led them into anti-social activities that ultimately turned into communal trouble. There was also not much social and cultural exchange between the two communities. I felt this problem should be studied in a holistic fashion to determine what corrective steps should be taken. Funds should be no problem. Considering that lakhs of rupees are spent on police forces and CRP battalions, we should be able to spend at least that much in carrying out well-planned and structured schemes based on our survey and studies. When I discussed this with the home minister he was quite responsive and gave the clearance to go ahead. I believe the IB and the concerned divisions in the home ministry started preliminary work on this in 1980.

As the year progressed I began to feel restless as my promotion had not come through and I told Zail Singh that I would like to revert to my parent cadre – Maharashtra. I also knew that Burney was not too favourably inclined towards me as, according to him, I did not belong to the so-called 'Emergency fraternity'. But Zail Singh wanted to look after me and even proposed creating a post of special secretary for me in the home ministry. Burney, however, shot the proposal down as he feared that I might become another parallel centre of power in the ministry. Zail Singh then gave me an intriguing piece of information: Indira Gandhi thought I was Y.B. Chavan's man and therefore wanted to be sure that I would serve her faithfully. I spoke to R.K. Dhawan about this and said that I was brought to Delhi in 1978 when Y.B. Chavan was nowhere in the picture. Dhawan must have explained this to Indira

Gandhi, because after some time the cabinet secretary called to say that he was planning to propose me as the next labour secretary and that the labour minister, N.D. Tiwari, wanted to see me.

## In the Labour and Rehabilitation Ministry and the International Labour Organization

*I* TOOK OVER AS SECRETARY IN THE LABOUR MINISTRY IN FEBRUARY 1982, with N.D. Tiwari as the labour minister. During my tenure I had two more ministers, Bhagwat Jha Azad and Virendra Patil.

The ministry does not look glamorous, high profile or even as powerful as some of the economic ministries, the home ministry or the defence ministry, but I found the work fascinating and it also gave me an opportunity to do something constructive for the weaker sections and the poor class of workers. One usually thinks of a worker as an organized well-paid industrial worker. But the real mass of labour is in the informal sector, and unorganized, very poorly paid, and, often, even bonded. I was happy to take on this assignment as I thought that some really good and satisfying work could be done. If only one could even implement effectively the Minimum Wages Act, the lot of these poor people could be improved to a great extent.

The Labour Ministry is well structured to carry out this task. It has attached offices like the Directorate General of Employment and Training, Chief Labour Commissioner, the Directorate General of Factory Advice Service, Labour Institute and the Director of Labour Bureau. Of the twenty-two subordinate offices, the more important are the Directorate General of Mines Safety and the Welfare Fund Organization. Autonomous institutes are the Employees' State Insurance Corporation, Employees' Provident Fund Organization, Coal Mines Rescue Station Committee, National Council for Safety in Mines, National Safety Council, Central Board of Workers' Education and the

National Labour Institute. The ministry is the nodal organization for the International Labour Organization and International Social Security Association.

There are very strong trade unions that dominate the scene; for instance the Indian National Trade Union Congress (INTUC), Centre for Indian Trade Unions (CITU), All India Trade Union Congress (AITUC), Hind Mazdoor Sabha (HMS), Bharatiya Mazdoor Sabha. These unions were creations of the Indian National Congress, Communist Party (Marxist), Communist Party of India, Socialist Party and Bharatiya Jan Sangh respectively. The party in power naturally tried to patronize and favour its own trade union.

Another aspect was the tripartite nature of industrial relations between the government, employers and labour. The government was to be the umpire between the other two and ensure that their relationship was cordial and constructive and in the interests of society. However, India's socialist philosophy having an inherent bias against employers, the government would favour workers. Various labour laws were heavily weighted against employers. Strikes were to be resorted to only after the required reconciliation procedure had been followed. But trade unions would call strikes knowing full well that no action would be taken against them. Lockouts, however, were very strictly regulated as also retrenchment and closures. Collective bargaining was a one-sided exercise where workers could hold to ransom employers and even public sector undertakings. Also, there was no relation between wage level and productivity.

My first task therefore was to establish a close personal relationship and rapport with the trade union leaders: Ramanujam, Gopeshwar and Kanti Mehta of INTUC; Pandhe of CITU; Bardhan of ITUC; Dattopant Thengdi of the Bharatiya Mazdoor Sangh; S.R. Kulkarni, Shanti Patel and Purohit of HMS. I also knew B.T. Ranadive, a senior leader of the Communist Party, well. Similarly, I established a close and continuous dialogue with the employers and fortunately Naval Tata was the chairman of the Employers' Federation of India. He was a director of Tata Sons and chairman of some Tata companies. The state governments were actively associated with our plans. The results should have been encouraging but were unfortunately not so. During my tenure in the labour ministry the number of man-days lost due to strikes and lockouts did not show any material improvement. It was 22.5 million in 1981 but about 23 million in January–September 1984.

The main reason for this was the militancy of the organized labour against employers. Besides, even within the same unit and establishment there was often inter-union rivalry. The concept of representative trade union should have sorted this out but the perennial problem of the secret ballot could not be resolved. In a secret ballot all workers on company's payroll could exercise their vote. Ballot papers were given and collected through ballot boxes as in a parliamentary election. Trade unions especially the Leftist ones challenged the concept of ascertaining membership of a union on the basis of its paid membership. According to them, union membership was artificially inflated, often with the help of the employers who wanted pliant unions. But there was also an argument about why non-unionized members should be eligible to vote. In many advanced countries trade union dues are collected by the employer on the basis of a requisition given by the worker and this helps establish the representative trade union, but there was opposition to this in India.

Since the question of verifying union membership was not getting sorted out because of the issue of the secret ballot, we took the bold decision to start verifying the paid membership of the various trade unions. Though the process was not completed by the time I left the labour ministry, at least we made it clear to the trade unions that they could not hold up the process and that the government could take a decision on its own and go ahead with its implementation. We were able to include a representative of the BMS in our delegation to the annual conference of the ILO with other trade unions.

Violence and militancy became the hallmark of many industrial disputes and lockouts. The classic example was the textile strike in Bombay called by Datta Samant, the leader of the trade union of textile workers called Kamgar Aghadi. Three lakh textile workers of Bombay participated in the strike called in February 1982. It went on for months and gradually the whole industry came to a grinding halt. Thousands of workers lost their jobs and means of livelihood. It was most unwise on Datta Samant's part to call for a strike in an industry that was passing through a very bad patch. But there is no substitute for personal ego and Datta Samant indulged in an illegal strike and destroyed the industry.

Bonus was another issue that created tension. Most of the trade unions wanted much more than the minimum 8.33 per cent. In fact, many establishments, though incurring losses, were legally bound to pay

the minimum bonus and of course the unions wanted much more from other units. The practice in some states of declaring industry-wise bonus for all units in that industry irrespective of the performance of individual units was another area of conflict. As trade unions were affiliated to political parties, the latter naturally tried to get more bonus for their trade unions. For example, in Bombay the largest union of textile workers was affiliated to INTUC and the Congress party was in power. The chief minister would consequently intervene and lay down what bonus should be paid by the textile industry. Bonus was given under the Payment of Bonus Act, which was not applicable to government administrative staff. We, however, came to know that the Ministry of Finance was proposing to give such a bonus as *ex gratia* payment to certain categories of central government staff. This payment was neither deferred wage, as implied by the Payment of Bonus Act, nor productivity-linked bonus, but at the discretion of the employer, that is, government and there could not be any negotiations as such. I called on the finance minister to express the labour ministry's reservations in this regard. He was honest and told me that this was a political decision and we better accept it with grace. This decision was apparently aimed at winning the loyalty of the government staff, and the Congress was hoping to get a sizeable vote bank. I do not know whether the finance ministry considered the repercussions this would have throughout the country. They should have known that state governments' staff would agitate for a similar payment and that could impose a heavy burden on state finances. But this was a *fait accompli*.

The bulk of Indian labour is in the unorganized and informal sector. Most trade unions work only with the organized sector while the unorganized labour is left to fend for itself and is thoroughly exploited by employers. The Minimum Wages Act was enacted in 1948 but its implementation left much to be desired. Though state governments were expected to lay down the minimum wage for agricultural labour, many states did this only in a perfunctory way mainly because of the strong rural lobby. It was therefore decided to ask the state governments to revise the minimum wage for agricultural labour at least once in two years or when the consumer price index went up by more than fifty points since the last revision, whichever was earlier. They were also to scientifically determine the needs of workers and base the minimum wage on that assessment and what the agricultural activity could afford. We also decided to send teams of labour ministry officials to visit various

states to see whether these decisions, taken in consultation with the state governments, were being implemented. Our experience in this field was not happy at all. Apart from a few, most states were still dragging their feet mostly because of political pressure from a strong rural lobby. An inspection team that went to some rural areas in Bihar had a very frightening experience. They were almost abducted and lynched, saved only because their police escort arrived on time. If this could happen to a central government team, how effective could state government labour inspectors be in rural areas? We also advised the state governments to integrate the enforcement strategy with programmes such as the Integrated Rural Development Programme (IRDP) and the National Rural Employment Programme (NREP), which fixed wages for workers taking into consideration the minimum wage. It was hoped that this would demonstrate to rural workers what wages they were entitled to and they would thus ask for the prescribed minimum wage for that particular activity.

We examined the proposal whether a general minimum wage could be prescribed for all activities not covered under the Minimum Wages Act. The response of the state governments, however, was lukewarm. The Congress manifesto contained a promise of laying down a national minimum wage. We worked out a proposal for this but could make no progress. I called on the prime minister, Indira Gandhi, and explained the whole subject to her. Her comment was: 'Mr Deshmukh, leave this to us, the politicians, to decide what was promised in the election manifesto should be fulfilled and honoured.'

The minimum wage prescribed under the act sometimes became a matter of political philosophy. In Kerala, for example, the minimum wage fixed in the cashew industry was so high that the cashewnut shelling industry shifted across the border to Tamil Nadu. Kerala also prescribed a minimum wage for head loaders. The application of this wage became highly oppressive. For instance, an officer from the ministry on arrival at a railway station in Kerala carried his own luggage, but the head loader on the platform would not allow him to do this, saying that it was the loaders duty for which he should be paid the prescribed wage even if the officer carried his luggage himself.

Under the Twenty-Point programme of the government we were responsible not only for agricultural labour but also for the rehabilitation of bonded labour. Once freed, employment had to be found for them, to prevent their relapsing into bondage again. This was not a programme



of the labour ministry alone; all ministries and departments, not only of the central government but also of state governments, were part of it. Resources from different programmes like the IRDP, NREP, special plans for scheduled castes and scheduled tribes etc., were to be pooled together for the purpose. State governments were authorized to release funds under the centrally sponsored schemes. The schemes were worked out for a group or targeted area. Ministry officials visited the various states to ensure proper implementation of the schemes, and based on the information received, targets were fixed. Fortunately, these could be achieved to a substantial extent. Swami Agnivesh, the leader of the movement for Abolition and Rehabilitation of Bonded Labour, played a very important part in this movement. We were happy that we had started taking action and hopefully the problem would gradually be manageable. Much would depend on various social factors, including spread of education.

Interstate migratory workers were also being exploited. Contractors and employers would take workers in large numbers from one state to another, making promises that were often not fulfilled and the workers almost became bonded labourers. A classic example is the large gangs of labourers from Bihar taken to work on fields in Punjab. The joke was that the green revolution in Punjab was brought about not by the Punjab farmers but by the Bihari workers.

A legislation, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, provided for basic needs like housing, food, clothing, medical facilities and proper wages. The implementing authority was mostly the state governments in their respective spheres of jurisdiction. As usual, the labour ministry sent its own inspection teams to the states. In the *bidi* industry there was a wide disparity in the minimum wages across the states. Based on the poverty line prescribed by the Planning Commission it was recommended that all states fix the wage between Rs 7 and Rs 8 per day. In January 1982, it was suggested that dearness allowance, too, be linked to the consumer price index; if, however, this was not possible the minimum wage itself should be revised. A mechanism was also introduced to compensate workers for loss due to non-supply of raw material or large-scale rejection of finished products. A scheme for group housing was worked out and a pilot project was sanctioned for Karnataka.

The labour ministry is responsible for safety in mines. Though mine workers fall under the category of organized workers, in some areas and

in some mines they were unorganized and even bonded. I visited the coal mines in Bihar. The rule of the mafia in Dhanbad and surrounding areas was well known. One of the mines there was fully mechanized and ideal for mine workers but this could not be replicated in other mines because of the heavy capital expenditure required. In some surface mining areas I was aghast at the environmental damage. Certain coal companies in the south were carrying out environmental restoration and afforestation work and I suggested that the Bihar Mines Management do the same. On my visit to labour colonies I realized that what I had heard about mafia rule was actually true. The mafia ran all service facilities like shops and markets at a huge profit; they openly collected monthly contributions from workers; and they owned or hired large numbers of trucks for carrying sand and coal to and from the mines, which was highly profitable as figures could be fudged. Through muscle and money power they controlled the supervisory staff of the mines. Added to this was another sinister aspect, viz., the political clout enjoyed by the mafia. They liberally funded political parties and used their musclemen to terrorize people. Some mafia dons even entered politics, stood for elections and were elected.

Child labour was another area of great anxiety. Children were employed for the production of firecrackers and other products in Sivakasi – the worst aspect of this activity was dipping sticks in sulphur solution to make matchsticks and sparklers; in the large-scale manufacture of bangles in Firozabad; also in the production of brassware in Moradabad. In carpet-weaving children had always been employed on the plea that they had nimble and supple fingers to tie the knots. The usual argument for employment of child labour is economic. Parents would prefer to send their children to school but economic pressures to earn for the family are so great that children have to be put to work. On the other hand, if child labour was banned, children would suffer from malnutrition and vagrancy. We studied the problem from both the social and economic angles and initiated efforts to improve service conditions and environment at the workplace and prohibit child labour in hazardous activities. Where children had to work, they were to be given free time (without cutting wages) for learning and some subsidized nourishment. We also started sending teams from the labour ministry to ensure strict observation of the provisions of the various acts that prohibited employment of children in hazardous activities. Our efforts yielded results at least in creating

an awareness among various state agencies as well as the public about this most unsocial and cruel activity. We asked the central and all the state agencies to make it a condition in all their construction tenders that no child labour would be employed and that crèches would be established when the number of female workers was above the prescribed limit. This was especially necessary in construction activities in urban areas.

We wanted to streamline the working of the Employees' Provident Fund Scheme – administered either by the labour ministry under the Commissioner of Provident Fund or by the unit itself if given exemption – and ensure prompt disbursement of advances or final payments through mechanization if not computerization. But we found it difficult to introduce even simple calculating machines because of strong opposition from the trade unions. Unfortunately, they did not appreciate that computerization would help their own members get quicker service. The Employees' Family Pension Scheme and the Employers' Deposit Insurance Linked Scheme benefited the family of a deceased worker but there was no pension scheme as such for workers. Trade unions wanted that a pension fund be created from employers' contributions, which could be invested and the returns proportionately distributed as pension to workers after their retirement. We were working on this scheme but it could not be finalized while I was in the ministry. I was keen on another scheme pertaining to provident fund whereby a worker could individually take a non-refundable advance for buying or building a house. I had seen a large workers' housing colony come up in Singapore by this method. We thought of constructing houses ourselves or through the housing boards of state governments for workers who would opt for the scheme. Under this scheme labour ministry would advance the necessary amount for construction from the provident fund and the worker would repay from a fixed percentage of the total amount in his provident fund on the prescribed date and later through monthly contribution. Besides a house of his own on retirement, he would gain financially as the value of real estate would have appreciated by then. The response from the finance ministry was not favourable as this would have meant encashment of large amounts of government securities in the provident fund. I personally felt very sorry that we could not push the scheme through.

The labour bureau of the ministry is located in Simla. In addition to various statistical services, one of its major activities is to publish

consumer and other price indices. At that time the index was based on 1960 figures. We started formulating a new index based on a much later year to make it more relevant and also include changes and additions in the basket of commodities from that of twenty-five years before. The index being based on the returns received from state governments and labour officials throughout the country, we improved the reporting system by continuous education of all concerned and by upgrading the scheme. There were complaints that the returns were filed in a routine manner without determining the actual market prices. It was common knowledge that the reported prices of essential commodities were not based on actual market prices but on government prices for the public distribution system. We advocated that if such commodities were not available in the public distribution system their actual market prices should be reported.

We periodically held a tripartite national conference to discuss various labour matters. In September 1982 a conference was held to discuss various important issues such as verification of membership, amendment of various acts, collective bargaining agents, and code of conduct. It is true that the follow-up on decisions is not too effective, but a tripartite forum at least provides a platform for all three parties to come together and exchange views and talk to and not talk at each other.

The Directorate General of Employment and Training, an important unit of the labour ministry deals with employment service and vocational training. There were 745 employment exchanges working nationwide in 1984. The number of persons on the live register was 235.47 lakh. However, the system was neither useful nor efficient. It had given placements to only 1.67 per cent educated work seekers on the register in 1982 and to only 1.81 per cent in 1983. The system is not entirely at fault as the expectations of work seekers far exceed employment generation and availability. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 applies to all establishments in the public sector and to private sector establishments that employ twenty-five or more workers. However, it was obligatory only for the public sector to fill vacancies through employment exchanges alone. Further, there was no proper system of sending lists of registered workers to match the requirements, contents and qualifications of the job, and vested interests in the exchanges did not observe the sequence of registration. As a result, the notifying unit found

it difficult and time-consuming to get proper names from the employment exchange. One of the effective remedies would have been complete computerization of not only the registration mechanism but the personal data of applicants. Not much could be done while I was in the ministry, but some steps were taken in Karnataka, Andhra Pradesh, Maharashtra, Tamil Nadu and Gujarat.

The directorate is in charge of various vocational training institutes (about 1,300 industrial training institutes/centres on the lines of the UNDP/ILO Project 1977) as well as of ensuring the working of the Apprentices Act, 1961. Employers were not keen on its implementation as trainee apprentices hoped for future employment in the same establishment, and as this was often not possible, it created problems if not tension. At the end of 1984, for example, only about 13,000 graduates and technician apprentices were undergoing training against 26,000 training places located.

In my first year in the ministry, I found there was a large backlog of legislative work which we made strenuous efforts to catch up with. In fact the secretary in charge of drafting legislation in the law ministry, Peri Shastry, complained about the volume of work coming from the labour ministry. For example, during 1981-82 amendments to three acts were passed; two of our bills were pending in parliament and we had finalized proposals for drafting of about fifteen amendment bills. One of our major efforts was to draft an industrial relations bill in place of the Industrial Disputes Act. The very name of the latter act suggested an atmosphere of confrontation between the employers and workers. We wanted to project the true spirit of tripartism based on the ILO philosophy. Sadly, this matter is still pending. We also wanted to introduce a bill to cover individual and collective disputes arising in hospitals and educational and other institutions and take them out from the purview of the definition of 'industry' in the Industrial Disputes Act, 1947. This was the fallout of the judgement given in the famous Bangalore Water Works case by Justice Krishna Iyer. The bill was introduced in the Rajya Sabha in May 1982. It had not been passed till I left the labour ministry.

We were aware that several labour laws and especially provisions concerning closure, retrenchment and settlement of industrial disputes including action to be taken for illegal strikes were not really helping the labour but were actually affecting economic development. In the atmosphere of the time, nothing much could be done, but we tried in

small ways, for example, by increasing the number of employees where closure could become easier.

It was almost at the end of my tenure in the labour ministry that tragedy struck the Union Carbide plant in Bhopal in December 1984.

## **Rehabilitation Work**

In 1982–83 the Ministry of Rehabilitation was merged with the Ministry of Labour and named Ministry of Labour and Rehabilitation with two separate departments. The Department of Rehabilitation, now a mere ghost of its former self, had done the stupendous job of rehabilitating millions of refugees who came into India mostly from West Pakistan and to some extent from East Pakistan.

Another surge of about a million refugees came in 1971 from East Pakistan following the Indo-Pakistan war and the creation of Bangladesh. A big project called Dandakaranya was set up in eastern India, but over the years it had not emerged as originally envisaged and what remained was in poor shape. When it was transferred to the labour ministry in 1982–83, we found that the project was not popular with the refugees because they actually wanted to be in West Bengal and thus deserted the project area in large numbers. We tried hard to persuade the shifting refugees to stay back and to help them settle down permanently but we were not very successful.

We had to look after the Tibetan refugees as well. A large number of them had settled down in Himachal Pradesh, especially in the Dharamshala area, and in the Dehradun–Mussoorie area, and, curiously, in the south near Mysore. Because of their inherent sturdy and industrious nature and large international help, they had settled down comfortably. Their SOS villages in Mussoorie were admirable and their handicrafts centre in Dehradun produced quality goods, especially carpets. Their settlement in the south was a good example of how, by sheer hard work, refugees can improve their lot better than the local people. In villages near Mysore, some had become prosperous landowners and employed local people.

Also under our care were refugees from Jaffna and other northern areas of Sri Lanka in camps in the Rameshwaram and Mandapam areas in the south. Most of them were keen to return to their homeland and expected us to effectively intervene in Sri Lankan affairs.

In Jammu, the refugees from West Pakistan had been settled for more than thirty years but were still treated as non-residents, as the

state law regarded only Jammu and Kashmir citizens as residents. Some had occupied properties of people who had crossed into Pakistan but these were not declared evacuee properties. The refugees were, therefore, most bitter. I understood their sentiments and sympathized with them. I suggested to the home ministry that we should find a way of making these refugees local residents and giving them ownership of these properties because they would be one of our best defences against infiltration from Pakistan. I mentioned this also to Farooq Abdullah, chief minister of Jammu and Kashmir, but nothing further happened.

### Emigration Work

During the 1980s there was a huge efflux of Indian labour, especially into the West Asian countries. Though emigrants should normally be able to look after themselves, there were some acts to protect their interests. This became more than necessary when there was a massive demand for unskilled and semi-skilled workers. Since wage levels there were much higher than in India, there was a big rush of uneducated people, and unskilled and semi-skilled workers. Unscrupulous employers in those countries and recruiting agents in India took full advantage of this, enticing Indian workers and extracting huge amounts from them with false promises. These poor emigrants paid them in the hope of gaining lucrative employment. The Emigration Act of 1922 had already been enacted. The guidelines had been laid down by the Supreme Court of India and administrative orders were being issued since March 1979. The main objective of the act was to offer greater protection to emigrant workers, prescribe penal provisions to curb exploitative recruitment practices, and set up a system of dual responsibility of agents and employers.

This work was transferred from the Ministry of External Affairs to the Ministry of Labour effective 1 September 1981. An emigration division was created in the ministry and separate offices of the Protector of Emigrants were set up at Bombay, Delhi, Calcutta, Madras, Cochin, Trivandrum and Chandigarh. Rules were laid down for registration and licensing of recruiting agents. These rules had to be printed with all advertisements for recruitment. A strict regime was to be observed that fully safeguarded the interests of emigrant workers. Employment

contracts had to be registered and adequate security deposits furnished. A new Emigration Act, 1983 was passed that came into effect from 30 December 1983 replacing the old act of 1922.

The Protectors of Emigrants alone were authorized to give clearance without which the passport was not valid for leaving India. For example, emigrant workers numbered 2.7 lakh during the period September 1981 to August 1982. We also wanted to appoint officers of the ministry in the rank of counsellors (labour) and first secretaries (labour) in countries with a large concentration of Indian workers. The Ministry of External Affairs, however, was not in favour of this as it wanted to protect its own turf. We examined several other proposals, such as the creation of a separate enforcement and inspection unit in some of the employment protectorates besides emigration checkposts; the establishment of an emigrants welfare fund to give legal and financial aid to those intending to immigrate; general insurance on a voluntary basis and life insurance on a compulsory basis. We also constituted a central advisory committee to advise the ministry on emigration matters.

We started talks with some of the West Asian countries like Qatar and Bahrain in order to define, formulate and standardize the terms of employment contracts and also determine claims in case of labour disputes. Alongside, we considered computerization in stages to expedite the processing of cases. We encouraged the Association of Recruiting Agents to formulate a model code of conduct and enforce it voluntarily.

In spite of all these measures a large number of emigrants continued to be exploited by agents in India and by foreign employers abroad. This was due not only to bogus and fraudulent offers but also on account of emigrant workers who were prepared to give huge amounts to get employment. One of the unsavoury features was the exploitation of Indian women and girls who were recruited as maids and companions but were really treated as bonded labour and even sexually exploited.

In addition to this was the rampant corruption in the offices of the Protectors of Emigrants. The recruiting agents were very lavish as the stakes were high, and I must confess we were not very successful in checking this. But gradually we introduced a strict inspection regime and to some extent were able to control the corruption. I felt sorry that this activity which the ministry had taken over had proved to be rather difficult if not embarrassing.



## International Labour Organization

In my official capacity I had to attend the meetings of the governing body of the International Labour Organization in Geneva three or four times a year. India is one of the founding members of the ILO, established under the aegis of the then League of Nations in 1919, and thus older than the United Nations itself. India is also a permanent member being one of the countries of industrial significance. Thus the country has played an important role as a member of the ILO whose basic philosophy is tripartism, that is, economic and industrial activities, in particular, based on equal partnership between government, workers and employers. The government has a special responsibility of keeping in mind the interests of society.

It is necessary to emphasize this because one wishes that the whole industrial scene in India would be governed by this attitude. Workers would then not try to squeeze employers; employers would not treat workers unfairly; and the government would be impartial in relation to both parties in the interests of the public and society. We should understand this principle because there are many who believe that the ILO leans heavily towards workers.

Indian employers and workers have been represented in the ILO for a long time, with Naval Tata representing employers since the 1940s and Kanti Mehta the workers. There were also at least half a dozen Indians in the ILO holding very senior positions.

Both Naval Tata and Kanti Mehta were of great help to me not only in understanding the working of the ILO but also its intricacies and nuances and its budget. Studying the budget of an organization is important as many issues are either not seen or understood or tucked away in a corner or covered up in a different way; thus the interested members of the organization get what they want and others get completely lost. Since I spoke with confidence and authority whenever budgets were discussed, everybody started taking India seriously and most of our comments were accepted. This was critical, as India's contribution to the ILO's budget was modest as compared to that of developed countries, especially the USA.

One of the major functions of the ILO is to frame conventions to govern various activities. The discussions about these conventions are always intense if not heated, as some of them affect national interests, especially of small developing countries. For example, standards and

rights are based mostly on conditions in developed countries and it is rather unfair to apply them to developing countries. Therefore, modifications are suggested and compromises made. Despite that, the final draft is often loaded in favour of developed countries.

This matter was seriously debated in the International Labour Conference of 1983. Many delegations 'expressed their reservations on the ILO's supervisory procedure with respect to implementation of the labour standards' and sought a review thereof. The director-general promised that this would be one of the subjects at the next conference. He also made remarks that reflected India's views that these countries did not hide the difficulties that arose from instruments whose drafting failed to take into account their special economic and social situation. They sought the ILO's cooperation on meeting their obligation and reporting. Accordingly, at the conference of 1984, its president urged 'the need for flexibility in the formulation of standards by the ILO so as to enable standards to play a meaningful role in the fulfilment of the needs of the developing countries'. It is necessary to mention this here as in the 1990s developed countries tried to use the linkages between standards and exports to frustrate the economic development of developing countries.

India has ratified several ILO conventions and set up a tripartite committee on conventions to supervise their implementation. The committee meets regularly and the ministry ensures a proper follow-up.

One of the important conventions of the ILO is Freedom of Association and Protection of the Right to Organize. The governing body discussed this as one of the standing items in several of its sessions. For example, in May-June 1984 the governing body 'examined in substance' 47 out of 110 cases alleging non-observance of ILO standards on Freedom of Association concerning 45 countries in all the regions of the world. It reached a definite conclusion in 27 cases and interim conclusions in 20. It emphasized that the role of the ILO in the trade unions' rights field is to promote the effectiveness of Freedom of Association and a primary safeguard of peace and social justice. It rejected the assertion that its Committee on Freedom of Association was interfering in the internal affairs of sovereign states in its examination of complaints. One such case, however, was a great embarrassment to us. In its 222nd session held in March 1983, the alleged violation of human rights in Poland came up for discussion as that country was not cooperating in sending the required information

to the Committee on Freedom of Association. The governing body adopted by a vote of 46 for and 4 against that Poland should send the information by 15 April failing which a commission of enquiry may have to be appointed. We were in a rather awkward position as we have always been close to the communist countries, but at Naval Tata's suggestion I abstained from voting. Apparently, this was not regarded as a right move by our Ministry of External Affairs. At the next session, the governing body adopted the committee's recommendation to form a commission of enquiry, but we voted against it as advised by the external affairs ministry. Personally all of us were convinced that there was a good case for setting up such a commission, not only because of the alleged violations, but also because of trials involving the leaders and advisers of Solidarity and ill-treatment of the detained persons.

In November 1981 India became chairman of the Operational Programme Committee. We could therefore influence to a great extent the working of the various operation programmes especially in the interests of developing countries.

Contributions to the ILO are made in US\$ while the major expenditure of the ILO is in Switzerland, that is, in Swiss francs. Thus if the dollar is strong as compared to the Swiss franc, ILO's operational income increases and its financial position is comfortable. But the reverse is also true, and that is exactly what started happening. After some time the ILO's budgetary constraints began to affect various activities. In this situation we had to be extra cautious that the interests of developing countries did not suffer disproportionately.

The governing body elects a new chairman every year and he is always a government representative. Only once, in 1977, was a labour representative elected. In 1985 the employers' group put up a claim for chairmanship. This was most unfair to the Asian region government group as it was its turn for chairmanship and it had nominated me as the Indian representative. The employers' group has a very powerful influence in the ILO and the labour groups as well as the government groups from Europe and America were expected to go along with them. We refused to withdraw as the employers' group had had no discussion with us prior to putting in its claim. This was appreciated by many, and a highly constructive role was played by Director-General F. Blanchard and Naval Tata from the employers' group. Muchkund Dubey, India's ambassador in Geneva, also helped garner support for us. A consensus

was reached that the European government members whose turn would come next year had agreed to postpone it by one year and this would successively postpone the claims of other regions. The governing body would then proceed to choose its chairman from the employer's group which would be the only group to represent a candidate for that year, as such an exception had been made in 1977. This however would not constitute a precedent. India was thus unanimously elected as chairman of the governing body for 1984–85. Jean-Jacques Oechslin of France was elected as the employers' vice-chairman and Gerd Muhr of the Federal Republic of Germany as the workers' vice-chairman. This was just the fourth time in the history of the ILO from 1919 that an Indian was so elected. The last time had been in 1961. The prime minister, Indira Gandhi, was happy as only recently we had lost a UNESCO election in Paris. When I called on her on my return, her only advice was, 'Mr Deshmukh, we may be a poor people but we are not a poor country. Always work with your head held high in any international gathering and let them know what India is.'

As chairman of the governing body I had to preside over its meetings. I made it a point to start meetings at the scheduled time which was a new experience for many but it brought in some discipline. As I knew most of the delegates I was able to guide the discussions and debate with a rather firm hand but without denying anybody full liberty and time to express their views. This was especially necessary while discussing the budget. I would jokingly say, 'If you want five extra minutes then you should increase your country's contribution to the ILO by US\$ 5000.' I visited the country offices of the ILO in Bangkok, Manila, Jakarta and Singapore. My chairmanship of the governing body was appreciated by the delegates and the staff and I had a good relationship with Director-General Blanchard as well as the two vice-presidents, Oechslin and Muhr.

The International Labour Conference is held in June every year and the chairman of the governing body declares the session open. Rajiv Gandhi was invited to address this session but due to some mistake by its office, the ILO had already formally invited the president of Singapore to address the 1985 conference. When Rajiv Gandhi accepted the invitation the International Labour Office requested the president of Singapore to plead his inability to attend and instead come for the conference of 1986. The Singapore government naturally took umbrage to this and I felt embarrassed at this turn of events.

I left the labour ministry in April 1985, and this now created a piquant situation for me. I could not be in Geneva unless I was a member of the Government of India delegation. But the ministry did not include me in its delegation beyond 9 June. Obviously I could not be present on 18 June when Rajiv Gandhi would address the ILO. As it happened he was visiting Bombay in the first week of May. When I told him about this situation he literally flared up and told Mani Shankar Aiyar to send a message to the labour ministry not to behave so stupidly. I also wrote a letter to Arun Singh. The labour ministry changed its ways and rectified the dates. All this was unnecessary, but there were people in the ministry who wanted to create trouble for me and they had been put in their place in time. They never thought I would ever come back to Delhi, and that too as cabinet secretary!

Rajiv Gandhi made a forceful speech at the ILO. Amongst other things he said that 'The basic objective of the ILO is to secure social justice and peace through international cooperation . . . Today the very idea of joint international endeavour for peace and prosperity is under challenge. We are witnessing the retreat from multilateralism . . . The crisis of our age can be resolved only through the renewal of commitment, the principles of the UN charter. The ILO, the oldest representative of international cooperation is the most appropriate forum for us to re-affirm the faith on which the United Nations was founded . . . We won our independence through a mass movement in which industrial labour and rural workers played a notable part . . . Ninety per cent of all Indians earn less than the organized workers. My question is what more can the ILO do to make these segments of labour a major focus of this activity . . . Poverty alleviation is the core of our strategy for development . . . Sometimes the concept of fair labour standards is invoked for perpetuating protectionism . . . The agony of Bhopal, the scene of one of the worst industrial disasters shows the terrible dangers to which workers in high technology industries are exposed . . . Our workers and peasants are in the forefront of the struggle. This is a demanding but very rewarding struggle and we are struggling not only for ourselves but for all those who are in chains everywhere else.' He finished his speech with these sterling words: 'Mankind is one. Let us not break it up by narrow domestic walls.'

The director-general hosted a lunch for Rajiv Gandhi and both of them enjoyed it as Blanchard had been in the French Air Force in World War II, while Rajiv Gandhi was a pilot with Indian Airlines. He

complimented me in his speech at lunch when he said, 'You should be sure of our commitment to the ILO and we have given you Deshmukh to ensure this.'

# 12

## Chief Secretary, Maharashtra

AT THE BEGINNING OF 1985 DR P.C. ALEXANDER, PRINCIPAL SECRETARY to the prime minister called me and said it had been decided to send me back to Maharashtra as chief secretary as desired by the chief minister, Vasantdada Patil. I was taken by surprise as I was hoping to move to some other important ministry and thought I had a good claim for the home ministry, having been additional secretary there for two and a half years. When I mentioned this Dr Alexander said that R.D. Pradhan, chief secretary, Maharashtra was being considered for the home ministry and that the chief minister wanted me in his place. He did not like my questioning him and there was a heated exchange of words. Even though Maharashtra was my parent cadre and had a claim on me, I decided that at least the prime minister should be made aware that I was being forced to go back.

I met Arun Singh, the political aide to the prime minister, and explained that the prime minister may be informed that:

- i. My claim to any higher position in the Government of India should not be ignored only because I would not be in Delhi.
- ii. If I found it difficult to work with politicians in Maharashtra I should be allowed to come back; and
- iii. I should be allowed to complete my one-year term as chairman of the governing body of the ILO.

Arun Singh told me within a few days that the prime minister said I should go back to Maharashtra and that the matters mentioned by me

would be kept in mind. I accordingly returned to Maharashtra as chief secretary in March 1985.

On my first day in the office many people came to offer me their good wishes. Photographs were taken and this had a curious result. After about two months the deputy superintendent of police in charge of Ulhasnagar near Kalyan brought me a photograph in which I was being garlanded by a notorious character who was now showing this around telling everybody that the chief secretary was his friend. I could see that this must have been taken on my first day in the office when almost everybody had come to greet me and get photographed. I think this is a good lesson for all of us and especially for ministers.

I was in Maharashtra from March 1985 to August 1986 when I returned to Delhi as cabinet secretary. During this period there were two governors and three chief ministers: Vasantdada Patil, Shivajirao Nilangekar Patil and S.B. Chavan.

Maharashtra was celebrating twenty-five years of its formation in May 1985. Elaborate arrangements were made and the event was celebrated with enthusiasm in Bombay and all over Maharashtra. The government had sanctioned certain amounts for every district and I issued instructions that instead of spending money on raising statues and other memorials, a sizeable portion of the grant should be used to buy computers for schools. We gave computers to a school in Dadar and also permitted it to levy a small service charge for their maintenance.

I was acutely aware that Bombay was not as we had always thought it to be. I was aghast to see one of the top dons, Yusuf Patel, as a guest at the marriage reception of the chief minister's stepdaughter. The name of another mafia don, Vardha Rajan, popularly known as Vardha, was known all over the city and a film was also made on his life. His fiefdom covered the Dadar-Matunga-Mahim-Koliwada-Antop Hill-Sion areas. He was paid court by almost all the Congress leaders in Bombay and also by the film industry. When Rajiv Gandhi visited the city as general secretary of the Congress party the Bombay Regional Congress Committee organized a grand procession in which Vardha had a prominent role. I laid my hands on a video tape of a cocktail party given by the don at which many police officers were dancing merrily. Ribeiro, the commissioner of police and his deputy, Pawar, however were courageous and upright enough to stand up to him. I visited Ribeiro's office and met his officers and assured them that I would personally stand by them if anybody interfered in their action against Vardha and



his men. In my enthusiasm I made a reckless trip to the Antop Hill area alone in my car with just the driver. I was told that illicit liquor was being sold in a shop almost next to a school under Vardha's patronage. When I visited the police station and identified myself there was almost an uproar. I immediately ordered not only the closure of the shop but confiscation of the liquor stock. Later I was warned that it was not safe to do this as anything could have happened. Ribeiro's successor, Soman, was another upright and fearless officer. We decided to strike at Vardha's very sign of influence – his Ganpati festival. He had the police chowki outside the Matunga station removed and the entire area vacated for the festival. This was always a grand affair and many political leaders and film personalities made it a point to visit it. We decided to bring the chowki back thereby making it difficult to use the area and issued specific instructions that it could not be removed without my personal clearance. Sure enough, Vardha's wheels started moving. One day the chief minister, Nilangekar Patil, visited the area and subsequently called me to his office to discuss the chowki affair. I declined to withdraw my instructions. I called Gopi Arora, additional secretary in the PMO in Delhi, and asked him to send a message to the Tamil Nadu Congress politician who had obviously spoken to the chief minister. Vardha was quite influential at home in Tamil Nadu and his daughter's marriage was attended by most of the bigwigs there. He had also filed a writ petition in the Bombay High Court about the chowki and was openly boasting that one of the judges hearing the case was in his pocket. Nothing, however, happened and this was the beginning of his end. When S.B. Chavan came back as chief minister he sent out a strong message that he would firmly stop such criminal activities; but the rot of criminalization of politics in the city was too deep-rooted to be removed within a short period.

In the states, interference by ministers in departmental work is common, especially in the matter of postings, transfers and award of contracts. I told my colleague secretaries that if they found it difficult to stand up to their ministers, they could send the file to me as chief secretary and I would then deal with the matter. Apparently, the PMO had sent a message about me, and thanks to that the ministers were careful with me.

I decided to regularize the system of postings and transfers of senior officers. Maharashtra was in a far better position in this regard than many other states. Apart from a short period of Congress chief minister,

A.R. Antulay's tenure in 1980, civil servants were not harassed, or punitively transferred, or given prize postings for being obliging. To begin with I decided to computerize the personal data of all IAS officers. This would facilitate the chief secretary in finding out an officer's career pattern, the period of his posting, when he was due for a transfer, and where to post him. I also announced some fixed days and times when any officer could come and see me with any representation he wanted to make. I started holding meetings of secretaries where matters could be discussed freely and frankly and took a special interest in organization and methods. Simple things like keeping worksheets and controlling disposal of arrears were given particular attention. I also insisted that reasons should be given if a request by the public was rejected. Some junior officers were highly enthusiastic in this area. Introduced by A.K. Lakhina, an IAS officer in Maharashtra, the Lakhina pattern, well known by that time, was an innovative method of systematizing and expediting the working of the government. I visited Poona where Bhadkamkar, the collector, had introduced some fine control mechanisms. This shows that if junior officers are given encouragement they produce good results.

There was a certain amount of unease, if not friction, between the IPS and IAS officers at the seniormost level. The director-general of police was unhappy that his confidential record was written by the home secretary, who was junior to him in service, just because he was an IAS officer – a classical and perennial tussle between the home department and the senior IPS officers in the field. I knew Suryakant Jog, the director-general of police, and was thus able to bring about a sort of understanding between all concerned officers.

There were scarcity conditions in 1985–86 and I toured extensively in the Marathwada area. The agriculture department told us that sunflower was a good substitute for *jawar* in areas where monsoon failure is common. Therefore, sunflower was sown over large areas that year and the crop was also fairly good. However, the snag was that even if the *jawar* crop fails, it produces some fodder for cattle, unlike sunflower, and this made the farmers reluctant to grow sunflower. We therefore encouraged fodder *jawar* which the government would purchase and sell in the open market. I visited Bhandara district in Vidarbha that was the rice granary. In the villages irrigation was through *malguzari* tanks which used to be desilted every year when the landlord system was prevalent. But once this was abolished nobody looked after the tanks. The villagers expected the government to do it, which of

course did not happen. These tanks were also used for breeding fish. I asked the collector of Bhandara to take desilting of the tanks under the employment guarantee scheme.

I was now touring the state as chief secretary and I visited districts and talukas and villages thirty years after I left the Dangs district in 1958. Conditions had changed vastly in these years. People were looking much better fed and clothed. Poverty was confined to pockets, mostly in the tribal areas. There were no starvation deaths in scarcity areas. Prosperity was more concentrated in western Maharashtra, and the Marathwada and Vidarbha regions had a grievance about this. But it was the politicians who were using this for their own political advancement. If they had spent equal energy in working out development schemes, much of this inequality could have been reduced. Then, people wanted industry, forgetting that agriculture too is an industry and that increasing agricultural production would bring prosperity to their areas as had happened in Punjab. The employment guarantee scheme and creation of percolation tanks combined with social forestry could change the rural economy. Further, instead of wasting water on raising sugarcane, if it was used for scientific irrigation of other crops it could generate prosperity. But cooperative sugar factories had become vested empires and everybody wanted to have irrigation for sugarcane.

The panchayati raj system was well established in the state, but this too had fostered personal political empires. Often a politician preferred to be the president of zilla parishad than a cabinet minister. All development activities and human resources for them were transferred to the zilla parishads. Appointment of schoolteachers, sanction of ashram schools and hostels for the backward classes became not social activities but activities to make money. Vested interests wanted to open colleges in talukas, especially arts and commerce colleges, which could be started in simple rooms and halls as they did not require laboratories. These institutions began producing educated youth who wanted only white-collar jobs in the government. The educated unemployed found that politics was highly remunerative and, therefore, politics itself became a profession and a means of a luxurious livelihood.

The administrative machinery was really churned up after 1977. Vasantrao Naik was chief minister for almost eleven years and S.B. Chavan for the next two years. But in the ten years between 1977 and 1986, the chief minister changed six times. This political instability

naturally affected the quality of governance. To add to it, Antulay played favourites and also bent government machinery to what he wanted to do or undo. The result was there for all to see. Maharashtra administration, which had been known for its honesty, integrity and efficiency, was badly shaken and infected with the malaise usually seen in some of the northern states like Uttar Pradesh and Bihar.

But all the changes were not adverse. There were some notable good points too. The masses even in the rural areas were generally more aware of their rights and not afraid to exercise their franchise. The various ills of elections seen in several parts of India like rigging, bogus voting or booth capturing were scarcely prevalent in Maharashtra. There were no *senas* indulging in muscle power. Thanks to the efforts made by Vasantrao Naik and some other chief ministers after him, agricultural production had increased and thereby there was greater prosperity too in the rural areas. Socially, the masses were more alert and the scheduled castes and scheduled tribes more awakened than in many other parts of the country. Thanks to the *shramdan* movement and the employment guarantee scheme, many villages were connected to the main road system and were therefore easily accessible. Communication between communities was easy and extensive. This naturally led to a more open society. In 1958, when I used to tour the rural areas, most of the villagers would ask for a drinking water well. Now they asked for schools, agricultural centres and connecting roads. In a village in Nasik district, an old woman complained to me in tears that she was not getting a biogas unit as the subsidy for the taluka was exhausted and she could not get her son married as no girl was prepared to work in a kitchen full of fuel smoke. In another village a farmer said no girl was prepared to marry his son as the boy was not educated enough because there was no high school nearby.

The cooperative movement had spread and established itself well, especially in western Maharashtra. The cotton monopoly scheme had helped as payments were made by cheque. Purchase of national savings certificates had become popular, indicating a strong savings movement. It is true that backward classes hostels and ashram schools did not function properly but they did help in spreading education amongst these backward communities.

In Maharashtra, sales tax on jewellery and gold ornaments was rather high compared to Gujarat. I became aware of this in a curious way. My wife and I went to buy a piece of jewellery at a well-known

shop in the Opera House area. The cashier casually asked if we wanted the bill as 'Made in Bombay' or as 'Made in Ahmedabad' as the sales tax in Ahmedabad was lower. Of course, as a good civil servant I paid the price as in Bombay. Next day I went to Sushil Kumar Shinde, the finance minister, and said that we must consider bringing down the sales tax as it was encouraging leakage of revenue. He tried to do this in the next year's budget.

The Videocon television company representatives asked for some help for the TV industry. They said that since Uptron, located in Uttar Pradesh, was given sales tax concession for sale in that state, TV manufacturers in Maharashtra should get a similar concession for sale in the state. I thought this was a reasonable proposition and approved it. Uptron must have protested, as Bombay is a good market for TVs. Promptly, the finance ministry in Delhi asked us why we were practising discrimination, to which I replied that we did not understand their objection since they had not objected to similar action of the Uttar Pradesh government. We did not hear anything further.

Panvel used to be a bottleneck on the Bombay-Poona Road. The Public Works Department (PWD) had a plan to construct a bypass but no money to do so. I asked them to award the work to a private party, which could charge toll for use and also raise further revenues by putting up hoardings, petrol pumps and a restaurant along the road. The PWD was not very enthusiastic and unfortunately I could not get my proposal through while I was in Bombay.

In another case, however, I had good results. The New Bombay area had been slow in developing as there was no connecting railway bridge on the Thane Creek. It had no priority in the railway scheme and budget. I met Madhavrao Scindia, the railway minister, and the chairman of the Railway Board and made them an offer that we would finance the construction of the bridge by a loan that the City and Industrial Development Corporation (CIDCO) would raise in the open market but then the Railways should agree on imposing a surcharge on the tickets between Bombay and New Bombay and give that amount to CIDCO for servicing and repayment of the loan. Further, the railway ministry should also help in getting this extra loan cleared by the finance ministry. The minister readily agreed to our proposal, and ultimately the bridge was constructed.

Maharashtra had done almost nothing in the field of tourism compared to even a small state like Haryana. Maharashtra has a fine

sea coast with excellent beaches and I visited those at Alibagh, Murud-Janjira and Ganpati Pule. The major difficulty in exploiting this area was the circuitous route from Bombay. This could have been resolved by introducing roll-on or roll-off facility between the Bombay Harbour and the Uran-Mandwa-Alibagh area. The Konkan area could thus have been developed into a highly prosperous tourist spot as in Kerala. Unfortunately, the Bombay Port Trust did not respond positively. We, therefore, introduced some fast luxury launches but these were a poor substitute. I asked the tourism department to find sites on the highways that could be leased to hotels at concessional rates as had been done in Haryana, but there was not much response.

My colleague, Anna Malhotra, was chairman of the Jawaharlal Nehru Port Trust (JNPT). This port should have come up years earlier, but our own cadre officer, M.G. Pimpulkar, in the Planning Commission did not agree that the cargo traffic warranted another port near Bombay. There was also a report that the sea-breeze from the Thane-Belapur chemical industrial area would blow into the proposed JNPT area and make it difficult to live there. Strangely, when the project had to be cleared all these so-called difficulties just disappeared.

The National Information Centre (NIC) in Delhi was looking for a building to house the proposed regional centre for western India. As usual our officers said that there was no appropriate building. When I mentioned this to Vasantdada, the chief minister promptly said that the Maharashtra Industrial Development Corporation (MIDC) should vacate its office building near Ganeshkhind in Poona and hand it over to the NIC. We were thus able to get the Western Regional Centre only because of the bold decision of the chief minister. Maharashtra has lost so many opportunities only because we did not go out of our way to help. Compared to us, the chief ministers of Haryana, Punjab or Rajasthan would say, 'How much land do you want,' or 'what type of plot do you want' and proceed to provide it. I proposed acquiring land on both sides of the bypass around Poona on National Highway 4 so that we could offer land to well-known institutions that wanted to come to Poona. But nothing was done in this regard either.

As municipal commissioner, Bombay, I had known the adverse effects of the Rent Act on the property tax income of the municipal corporation, particularly poor maintenance of the housing stock in urban areas. The chief minister agreed with me that a revision of the Rent Act should be considered. The provisions could not be completely

set aside as the weaker sections of society needed protection. The well to do, however, could afford to pay a reasonable market rent. Protection under the Rent Act for them was an indirect subsidy borne by the civic services of the municipal authorities that also cast a burden on state finances for maintenance of old buildings. I suggested that protection of the Rent Act should be restricted to residential units of up to 550 square feet and those above this limit should pay a reasonable market rent yearly in five stages, that is, pay the full reasonable market rent after five years. Owners of units not covered by the Rent Act too needed relief and therefore they should be allowed to increase the rent by 10 per cent every two years. For non-residential units, the protection of the Rent Act should be available only to units of 200 square feet, that is, small shops, and the general scheme as for residential units should be made applicable here too. Curiously, we found that opposition to these informal discussions came from the well to do sections of society occupying flats in posh localities at ridiculously low rents, as also shopkeepers in prosperous commercial locations. Of course, the MLAs from urban areas reacted angrily as their vote banks would be affected. We found that discretion is better under such circumstances and did not pursue the matter further.

It is impossible to remove corruption but people are happy if it is controlled and reduced. The director in charge of the Anti-Corruption Bureau (ACB), Paranjpe, was not only committed but had extremely innovative ideas and we jointly planned a new strategy to control corruption. We tightened the system of transfers and postings. We identified certain posts and points where corruption was, or could be, rampant because of discretionary and patronage powers. The ACB was asked to check the lifestyles of the holders of these posts. In one case, in the milk scheme, the officer concerned had built a luxurious house. We had it evaluated by our engineers and initiated action against the officer. More important, our action sent the message that the government was watching corrupt officers. In another case there was irregularity, if not corruption, in the disposal of one prize piece of land of the Metropolitan Development Authority. A senior officer was *prima facie* involved and a departmental enquiry was ordered. Interestingly, the order on the file was passed by the chief minister. I issued a circular that if somebody was caught for corruption, not only he but his immediate superior as well could be held responsible as the latter should have known about a corrupt subordinate. Our campaign started well and

government officials did receive the message. I make no claim that corruption was reduced significantly, but if something is worth doing, it is worth doing.

The Indian National Congress celebrated its centenary with great fanfare in January 1986 in Bombay. The venue was the Cricket Club of India (CCI) grounds in Brabourne Stadium and the state government and the Bombay Police were proud that it went off without a hitch. It seemed that all of India had poured into Bombay. Rajiv Gandhi was at the peak of his influence and power and made that famous speech putting on guard the powerbrokers. I went across to see the arrangements and found that three central ministers had been stopped at the gate as the police officer on duty did not know them. I identified them and escorted them in. They said that they had no complaint against the police as the latter were only doing their duty.

I took special interest in the development of Cuffe Parade and Nariman Point in Bombay. There was a large unauthorized slum on Bhosale Marg opposite the building Sarang which housed high court judges, some ministers and myself, as chief secretary. Activists were not allowing the slum to be shifted. When there was no government as such functioning in the interim period between Nilangekar Patil and S.B. Chavan, I ordered the collector of Bombay to get the slum removed. The members of the legislature wanted this piece of land for a cooperative housing society. Overnight, I sanctioned some residential barracks on the plot to be put up within a couple of months and allotted them as transit accommodation to government officials. The plot was thus saved and now it is being used as an officers' colony. The whole of the Nariman Point area that is supposed to be the financial hub of the city looked like an open-air eating place. There were hawkers cooking and selling food there as there were no places in the area for people to eat cheaply. Somehow the government had forgotten to insist on having canteen floors in every office building. I had seen the food plazas in Singapore and thought of having something similar on an open plot and also on the garden plot where ministers' bungalows stood. We had it designed with the help of the Taj Group to make the whole area clean and pleasant. Later, the government just ignored it, and a new MLAs' hostel came up on the open plot while ministers refused to vacate the bungalows on the garden plot. Nariman Point continues to be teeming with hawkers selling food in the open.



There was a proposal to erect Indira Gandhi's statue – something like the Statue of Liberty – in the sea at the southernmost end of Marine Drive. M.F. Husain gave us a line drawing painting depicting the statue. This was part of the proposed beautification of the entire Nariman Point–Cuffe Parade area with the big piece of land near Cuffe Parade unauthorizedly reclaimed to be converted into a garden, Cuffe Parade and Nariman Point to be connected by a bridge, and the fishing colony to be developed as a modern fishing village to attract tourists. However, the fishing community was persuaded that this would harm their interests. But the real reason was that some notorious elements in that community indulged in many illegal activities and feared they would come under close watch. Sadly, this beautification programme did not come through.

The Tata Institute of Social Sciences (TISS), a premier institute in this field, wanted to establish a rural campus and was looking for a suitable site. One site was located near Tuljapur in the Osmanabad district of Marathwada. The director of TISS met me to explain the proposal and I approved the grant of that land to the institute.

Air Chief Marshal Latif, when he was governor, had started afforestation on a large scale. One of his innovative ideas was aerial sowing. As there were not enough resources with the government, I proposed involving private parties to plant the trees prescribed by the forest department. They would then hand this area over to the forest department after the prescribed number of years and be compensated either through tax relief or by proper valuation of the forest wealth created by them. But again the central government was not in favour of handing over any forest area to a private party as it amounted to privatization of the forest department through the back door.

As municipal commissioner I was on the managing committee of the Turf Club, which even at that time used to complain that the high level of betting tax encouraged outside and illegal betting that not only reduced the income of the club but even government revenue. It wanted the rate of tax to be reduced as in Bangalore but did not succeed as the government did not want to lose its income. Now, as chief secretary I told the managing committee that if it was sure that lowering the tax would control outside and illegal betting and thereby increase the income of both the club and the government, it should underwrite the amount of tax income of the government, if the tax was reduced. I

thought this was a reasonable proposition but the managing committee of the club would not accept it.

Nilangekar Patil as chief minister was the nominee of Vasantdada Patil and this was his only qualification. A colourless personality, he did not show any qualities of leadership or administrative capacity. There was a scandal in which his daughter was involved. It was alleged that she had been given additional marks to enable her to pass the MD examination. The court gave an adverse verdict and the Congress high command decided to remove him. As usual two Congress observers were sent to Bombay to decide on the new leader. I met Shivshankar, one of the two observers whom I knew from Delhi and felt that Narendra Tidke may emerge as a consensus leader. But as usual the Congress party left the decision to the Congress president, Rajiv Gandhi, and he decided in March 1986 to send S.B. Chavan back from Delhi as the new chief minister. Personally I was very happy since I knew Chavan and was sure that with his incorruptible nature and administrative experience and acumen, Maharashtra would be in safe hands.

A minister's personal office contained mostly staff from the secretariat services and a few outsiders that he could keep on contract basis as long as he remained a minister. The officials from the secretariat services had become very powerful as they had somehow managed to be on ministers' establishments for years together. This was not difficult as they became highly knowledgeable about certain departments and a new minister always liked to have around him staff who knew the working of the department. As a result, these officials had an iron grip over the department and became a law unto themselves, effectively controlling even the minister's working. This bred not only irregularities but corruption. I decided to set this right by taking advantage of the interregnum when Nilangekar Patil's successor had not been finalized. I prepared a scheme whereby no official who had put in more than five years of continuous service on any one or more minister's establishment could again be on such an establishment. He would have to go back to his parent cadre and not be allowed to come back to a minister's establishment for at least three years. Naturally there was acute unrest amongst the establishments of all the ministers. I put up this proposal before the new chief minister, S.B. Chavan, who endorsed the approach. Even though the scheme could not be implemented fully I was happy that a beginning had been made to set the system right.

**WITH RAJIV GANDHI**



# 13

## A New Cabinet Secretary

*I*N JUNE 1986 I WAS INFORMED BY VINCENT GEORGE, PRIVATE secretary to Rajiv Gandhi, that I should come to Delhi to meet the prime minister. Even Shankarrao Chavan, the chief minister, was curious. When I called on the prime minister at his residential office at 7 Race Course Road, I was stunned to hear that he had decided to bring me in as the next cabinet secretary. Arun Singh had told him that I was sent back to Maharashtra in 1985 as chief secretary against my wishes. I asked for a fixed longer tenure as I had only nine months to retire, and he said it would be a three-year tenure as recommended by the Administrative Reforms Commission. In Bombay, the chief minister was really delighted at my new appointment and gave me an official farewell dinner. The governor, Dr Shankar Dayal Sharma, also told me that Rajiv Gandhi had sounded him about me.

In mid-1986 I came back to New Delhi after almost a year and a half. This was a peak period of achievements for Rajiv Gandhi. During 1985–86, he took a large number of initiatives and policy decisions on the political, government and economic fronts. He introduced an anti-defection law and gave a warning to powerbrokers in the Congress party. He tackled with notable success the crises in Punjab, Mizoram and Assam. He reorganized the existing ministries and set up new ones and started improving the administrative machinery. He established four technology missions to tackle the most acute problems of public concern. He took significant steps to liberalize the industrial scene. He formulated a new education policy. He gave environmental issues the importance they deserved. In his first policy speech to the nation, he

described his grandfather's achievements in creating a technologically modern India, referred to his mother's achievements in making the country self-sufficient especially in food, and then took the pledge that became the guiding spirit of his tenure: 'Together we will build for an India of the twenty-first century.' But it also threw up new challenges to the prime minister, as good intentions and formulating good policies were not enough to yield results. Unfortunately for him, heavy clouds started appearing on the political horizon and the situation started getting darker.

I joined the cabinet secretariat in August 1986 as understudy to P.K. Kaul of my batch in the IAS. He was very helpful and showed me all the ropes that a cabinet secretary has to master and manipulate. In due course I came to know why Rajiv Gandhi had made the change. P.K. Kaul had become cabinet secretary in early 1985, superseding some officers, among them K.V. Ramnathan from an earlier IAS batch. It was widely discussed then that this was due to the intervention of influential Uttar Pradesh ministers, especially Arun Nehru. Apparently, Rajiv Gandhi had started distancing himself from Arun Nehru and perhaps wanted to remove a cabinet secretary who was the latter's choice.

During his first year as prime minister, Rajiv Gandhi continued with the way the cabinet secretariat was being run during Indira Gandhi's tenure. The Prime Minister's Office played an influential part, often overshadowing the cabinet secretary. Arun Singh as minister of state was an important figure for some time before he was shifted to the defence ministry. The prime minister's house was also very active, M.L. Fotedar and Captain Satish Sharma constituting a powerful PMH. Arun Nehru, though a minister of state in the home ministry, wielded considerable influence. Rajiv Gandhi was more comfortable with a small group consisting of personal friends, selected bureaucrats who had caught his attention, and some technocrats, top managers from industry and close political aides. I think now he wanted to get out of this close circle. He wanted to streamline the governmental machinery as it had been during the days of Pandit Nehru. The cabinet secretariat was a well-established and structured institutional mechanism, which would help him in this regard. He, therefore, wanted to reorganize the cabinet secretariat with a new cabinet secretary nominated by him and not indebted to anyone else. Everyone in Delhi was intrigued about my selection as normally nobody was brought in as cabinet secretary directly from the state. Also,

I had no godfather to look after my interests. He must have carefully scrutinized my biodata. Besides my varied experience, in seniority I was almost next to P.K. Kaul. But more than this, I was not associated with any group at all, either in the centre or in the state.

Rajiv Gandhi wanted to re-establish the importance of the cabinet secretariat in the working of the government and use this institution effectively as his grandfather Pandit Nehru had done. It seemed he had noted the Administrative Reforms Commission's recommendations. A cabinet secretary is not only the principal adviser to the prime minister and the cabinet but also the head of the civil services and a coordinating authority amongst various ministries. In addition, he is a useful link between the political apparatus of the government and its bureaucratic machinery. Rajiv Gandhi thus wanted to use the cabinet secretariat as another channel through which to get the government and administration moving.

Rajiv Gandhi showed his innate decency by graciously giving P.K. Kaul the high-profile assignment of India's ambassador to the United States. Normally, this is given to a top politician or a very senior IFS officer. Apparently, he wanted to show that he did not deal unfairly with anyone, including ex-cabinet secretaries.

When I took over from Kaul in September, Rajiv Gandhi's ideas were apparent to all. A practice was established that I should see him at least once a week, or whenever I wanted. Apart from discussing files that I had submitted, he also discussed several policy matters pertaining to the whole government. He encouraged me to set up committees of secretaries not only to deal with interministerial proposals and problems but to start projects.

### **Administrative Matters**

Rajiv Gandhi was lonely at the top and added to this was the isolation forced on him by the Special Protection Group on account of security considerations. His visitors were thoroughly screened. A newcomer in the government, he did not know many senior civil servants but he had firm ideas. He wanted a modern bureaucracy, which was efficient, performance oriented and apolitical. One of his weaknesses was that he was impressed by presentations that contained modern gadgets, slides, graphs and terminology. He was more exposed and accustomed to modern management techniques and commercial publicity

techniques. He was a bit impatient, and often tempted to ride roughshod over old-fashioned civil servants who, however, were second to none in giving free, frank and sound advice and also delivering the goods. These civil servants had seen India through difficult times and ensured its smooth evolution from a colonial territory to a modern nation set on steady and sound economic principles. Rajiv Gandhi was more inclined towards suave advisers and officials who came from public schools, could speak and write good English and had a gloss both in appearance and presentation. He was impressed by short-term results and impatient when an officer tried to explain a long-term strategy that inherently had to be a slow and steady one. Some senior officers noticed this side of Rajiv Gandhi and tried to present to him what he wanted and thus got into his good books. But gradually as he matured and mellowed in administration, he came to realize the difference between a good officer and a showy one. In the meantime, he made some gaffes.

Something like this happened in the case of two senior civil servants, C.S. Shastri, agriculture secretary and D. Bandopadhyay, rural development secretary. An audio-visual presentation was arranged by them for Rajiv Gandhi but he was not satisfied either with the technique of presentation or the contents. Bandopadhyay was shattered when Rajiv Gandhi said to him at the end, 'Since I have got no information I have no questions to ask.' When Shastri could not answer a question on an unrelated subject, he asked him his state cadre, and when he replied it was Andhra Pradesh, Rajiv Gandhi said sarcastically, 'And how would you like to go back there?' Both secretaries behaved correctly and Shastri said that he would 'not mind going back'. Though one sycophant from the PMO said, 'If the prime minister cannot pull up laggard officers who can?' I quietly told him that this was not the proper way to treat senior officers publicly. Later, Rajiv Gandhi was gracious to the two secretaries but the damage was done.

Another well-known instance was his unexpected announcement at a press conference that 'there would be a new foreign secretary'. We were all left literally dumbfounded. After the conference I quietly told him that in my view such announcements should not be made at an open press conference as it reflected adversely not only on the prime minister but also on the office of the foreign secretary, which is a very senior assignment in government. I could see that he was feeling slightly chastened. I knew that it would not be possible to persuade him to change his orders but offered to go to Venkateshwaran and make his



exit more graceful by offering him some other assignment. Rajiv Gandhi agreed. In the meantime, Venkateshwaran announced his resignation. I persuaded him not to resign but ask for premature retirement so that he could have all terminal service benefits such as pension which would also be fair to his family. He agreed with this but was firm in not accepting any other assignment from the government. The Indian Foreign Service Association called a meeting to protest against this incident but it was cancelled, apparently under pressure from Natwar Singh, minister of state in the external affairs ministry and himself a retired foreign service officer. I also intervened but ensured that the sense of dismay and disapproval of the IFS was conveyed to the prime minister.

There were other notable snafus committed with senior bureaucrats. M.M.K. Wali, the lieutenant-governor of Delhi, was sacked for no valid reason and the deputy director of the Special Protection Group, N.R. Reddy, was humiliated for no fault of his when Rajiv Gandhi visited the Andamans.

On the other hand, bureaucrats who came and remained near Rajiv Gandhi due to sheer sycophancy could get away with anything. Mani Shankar Aiyar and T.N. Seshan were good examples. Mani Shankar completely forgot that he was a civil servant in the foreign service and not a party worker and openly misused and manipulated the information and broadcasting ministry to project and promote the image of Rajiv Gandhi in a most partisan way. Once I heard him berating the Doordarshan authorities for not showing certain events and meetings of Rajiv Gandhi. They pleaded that the tape was not received in time. He was rude to them and I had to protest to Rajiv Gandhi about this. A delegation of opposition MPs presented a petition against Rajiv Gandhi to the president and Mani Shankar Aiyar and some other ministers complained to him about this being shown on TV. When I said that there was nothing wrong as they were showing only a newsworthy event, Rajiv Gandhi ordered Bal Joglekar, news editor, to get my clearance for all newscasts. I did this for about a week and then persuaded the prime minister not to persist with it as it violated the freedom of disseminating news to which the public was entitled. Seshan, secretary for environment and forests, knowing of the prime minister's passionate commitment to this cause, became overenthusiastic and more loyal than the king and would throw his weight around. Many secretaries in the ministries as well as chief secretaries in the states

started complaining about his high-handedness, but Seshan went on regardless as he knew the prime minister's mind. He earned his reward when he was made defence secretary and secretary in charge of the Special Protection Group. This gave him unfettered access to the prime minister and he used this position to lord it even over the chiefs of staff of the Army, Navy and Air Force.

This syndrome created something like a committed bureaucrat, committed not to the Constitution and the classical bureaucratic culture, but to the political boss. No doubt there were others also in the bureaucratic machinery who were personally loyal to Rajiv Gandhi like Sam Pitroda, adviser for telecommunications and technology missions, and Suman Dubey, press adviser, but they were not bureaucrats in the real sense, but outsiders recruited as advisers. I am referring only to bureaucrats who had served for a long period in the government but tried to further their careers and interests through loyalty to the political boss. One such case would be that of S.S. Siddhu, an IAS officer who was brought back into the central government by Indira Gandhi in 1980 as he was in the good books of Sanjay Gandhi. Rajiv Gandhi made him secretary, civil aviation. But there were exceptions too, when bureaucrats who though working close to the prime minister in the PMO, particularly Gopi Arora and Otimia Bordia, did not give up their identity as career bureaucrats while advising the prime minister and carrying out his orders. But a different example was Vinod Pande, revenue secretary in the finance ministry, who came to be aligned with and associated with V.P. Singh, the finance minister. As revenue secretary, Pande assumed a position of personal antagonism and confrontation with Rajiv Gandhi. But when he was shifted to the ministry of rural development, he did an extremely good job and Rajiv Gandhi came around to appreciate and admire his work, though people around him continued to prejudice his mind against Pande. At a cabinet meeting, when a minister unnecessarily needled Pande, the latter withstood it courageously and said, 'If my work is not satisfactory I am prepared to go back to my parent cadre, Rajasthan.' Though Mani Shankar Aiyar liked to boast that the whole strategy of giving due importance to panchayati raj institutions in the Constitution was his idea, really speaking, the proposal was given concrete shape by Pande. As an IAS officer, Pande had worked in the rural areas and in the state much longer than an IFS officer would ever be able to. Rajiv Gandhi himself was not too happy with the draft bill and asked me to sort this

out with Aiyar and Pande. As the bill laid down unnecessarily detailed steps that did not allow much flexibility and initiative to the officials and people's representative in the field, I suggested some improvement in the light of my experience as municipal commissioner of Bombay.

Rajiv Gandhi's enthusiasm for improving government machinery created acute problems too, reflecting his inexperience and immaturity in administrative and political matters. In thirty-nine months in office, he reshuffled his council of ministers twenty-two times and there was a virtual merry-go-round in some of the ministries. There were more than three external affairs ministers; in the home ministry there were three cabinet ministers and seven ministers of state; in the commerce ministry three cabinet ministers and five ministers of state; in the petroleum ministry two cabinet ministers and four ministers of state. In 1985-86 almost every ministry saw a change of cabinet ministers. This of course took a heavy toll on efficient government working and naturally created a powerful PMO and a coterie of strong bureaucrats who had worked their way into the prime minister's confidence.

Slowly, Rajiv Gandhi became aware of the intricacies of administration. He was well aware that in a bureaucratic system governed by a socialist philosophy, the bureaucratic machine becomes omnipotent, omnipresent and omniscient, and this just would not work in a liberalized, decentralized and deregulated political and economic situation. But at the same time he was also convinced that unless there was substantive change not only in the working of bureaucracy but in its mindset nothing much could be done. In this he had the strong and imaginative support of P. Chidambaram, minister of state in charge of the department of personnel. Many senior bureaucrats were wary of Chidambaram, if not hostile to him, because they felt he was taking out his own frustrations on them. But he brought fresh ideas and modern techniques of management in the personnel department. His championing of in-service training programmes is well known. This had been long overdue, but he showed courage in pushing it through with Rajiv Gandhi's full support. The programme covered the whole gamut of bureaucracy from cabinet secretary downwards in the centre and chief secretary downwards in the states. Normally, even a fairly senior bureaucrat is not open to the idea of being sent for in-service training because he thinks there is nothing for him to learn from anybody else. But the atmosphere of intellectual freedom and stimulation in the training period made many of them realize the importance of these

programmes. It was laid down that once selected, no officer would be excused for not attending. Taking a cue from this, I started holding meetings of secretaries and additional secretaries without any fixed agenda but just for brainstorming on ideas thrown up and to discuss an issue of topical importance. This was a fruitful exercise as there were many good suggestions and free and frank opinions about several issues and programmes. Rajiv Gandhi also started a similar practice for his own minister colleagues. Such a training exercise was organized in Poona and attended by some senior cabinet ministers and senior bureaucrats. As chief secretary of Maharashtra I too had attended a programme at the Tata Management Training Centre, Poona, where I met not only senior secretaries from Government of India, including the cabinet secretary, but also officers of different seniority from across the country. The experience was stimulating and revealing. It gave one an opportunity to learn of new developments in the technique of management and governance and also what the new generation of junior officers thought about governance and the public. I came back from the course with my mind not only refreshed but also cleansed of some old ideas of management and perception of public expectations.

The cabinet secretary, as the head of the civil services, presides over selection committee meetings for deputy secretary-level posts and above. Rajiv Gandhi suggested that the empanelment committees for joint secretary posts and above should be more selective and strict. So far they had been rather liberal and the number of officers empanelled did not reflect a high standard of scrutiny and selection. He suggested that in a batch of IAS officers for a particular year the joint secretaries empanelled should not be more than, say, 75 per cent; that the additional secretaries' panel should not be more than 40 per cent of the joint secretaries' panel; and the secretary level panel should not be more than, say, 25 per cent of the additional secretaries' panel. According to him, this would not only ensure that only deserving and capable officers were promoted but at the same time would result in younger, deserving officers getting quicker promotions as the number of posts then available would be more. It would also result in officers holding secretary-level posts for more than three or four years unlike the one and a half to two years then prevailing. I entirely agreed with him and persuaded other members of the empanelment committees to start taking steps towards this end.

Related to this was the tenure of some secretaries of the government. I thought that the three-year tenure given to me as cabinet secretary should also apply to secretaries for foreign affairs, defence, finance and home because the subjects handled by them being highly specialized and technical, the incumbents should have enough time not only to familiarize themselves but also to initiate and see through any major measures that they might like to take. One way could be to select an officer who had not less than two years of service left. But this was possible only in the case of the foreign secretary, the other secretaries being mostly IAS officers looking forward to changing jobs or even be in line for cabinet secretary. A compromise would be to give a three-year tenure to these secretaries. While Rajiv Gandhi was favourably inclined to this, curiously my own colleagues were not too enthusiastic about it.

The complementary aspect of this proposal was providing assigned houses to these secretaries, especially the foreign secretary, as he had to receive and entertain senior foreign visitors. Ideally, this residence should be in the Diplomatic Enclave. The CPWD was asked to locate one and the finance secretary asked to sanction sufficient funds to furnish at least the drawing room and lay a good garden as these areas would be used for official entertainment. The foreign secretary was given such an assigned house, but unfortunately I could not do this either for the defence secretary or the home secretary. For the former, I tried to get a good bungalow from the defence quota but there was stiff opposition from the defence establishment to defence secretary having an assigned house on a par with the chiefs of staff.

The names of additional secretaries and secretaries for posting were suggested by the cabinet secretary after discussion with the prime minister. The cabinet secretary then circulated a note for the approval of the ACC. For posts of deputy secretary and joint secretary levels we started a practice of giving a panel of names to the ministry for selection. This ensured that the minister or his senior officers did not play favourites and try to push their own nominees.

For certain board-level posts such as in the Railway Board, Central Board of Direct Taxes, Central Board for Customs and Excise, officers qualified rather late in their career and had hardly a year or so in many cases. We therefore suggested to these departments that we would not consider selection for these posts unless the officer had at last two years

of service left. This did lead to supercession of some but we pushed the proposal in the interest of administrative efficiency.

A superseded officer becomes discontented. He does not do his job but spreads inefficiency and indiscipline. I suggested to the prime minister that at least above a certain senior level, a superseded officer should be allowed to go on voluntary retirement and be given permission to accept private employment. There was some apprehension that this concession of private employment might be abused. But I argued that a superseded officer *ipso facto* is not an efficient officer and would find it difficult to get private employment. However, this proposal was lost in bureaucratic examination and re-examination.

For in-service training to be really effective and acceptable to the civil service, I proposed that we should adopt the practice prevailing in the defence services that makes it obligatory to attend staff college courses for promotion above a certain level. Preference should also be given to those officers who had taken study leave for furthering their knowledge in related areas of management and specialization. This would also encourage officers to avail of the study leave facilities. But I found that there was intense opposition to this proposal too.

Additional secretary-level posts and above are prize posts especially for services other than the IAS. There was a general feeling that non-IAS service officers were not getting their due share in these posts. Even amongst the IAS officers, certain state cadres had a grouse that they were not adequately and properly represented in higher positions at Delhi. I made a conscious effort to remove these grievances by suggesting wherever possible non-IAS officers for these posts. I made a quick survey of senior positions manned by IAS officers and noticed that certain states like Gujarat did not have adequate representation. I made it a point to get officers from such states. I feel happy and even proud that I established the cabinet secretary as a father figure for all the services.

Whenever I suggested liberalization of government rules and regulations, the usual reaction of my colleagues and other officials was that these were absolutely necessary in public interest. For a common man this creates harassment at every step. I would advise officials to live as common persons without governmental perquisites and without disclosing their identity to find out how oppressive the government can be. I had a personal experience of this. When I shifted my residence from Zakir Hussain Marg to Shah Jahan Road, I asked my wife to have

our ration card transferred to the shop in our area without using any official contact. When she failed I tried, but without any success. For two months nothing could be done, so I requested my private secretary to step in. He picked up the telephone and called the Rationing Inspector, and the very next day the ration card was attached to the other shop. It was difficult to get even railway reservation. As a district officer it was my habit to visit markets to find out the prices and availability of essential commodities. I started doing this in Delhi even as cabinet secretary. This had an interesting result. At one of the cabinet meetings, H.K.L. Bhagat, minister for civil supplies, argued eloquently that sugar was available in plenty at a certain price in the open market. I said I had happened to visit Khan Market only the day before and found that sugar was not available anywhere except in one shop where the price was much higher than that stated by Bhagat. He was silent but the other ministers were quite appreciative.

In addition to the committees of secretaries in the cabinet secretariat, there was a standing committee of secretaries called the Core Group that met regularly once a week to discuss all important matters. Ad hoc committees were set up of concerned secretaries to sort out interministerial issues and problems. Certain special committees were set up to tackle emerging issues. A committee was set up in 1987 to deal with the severe drought that year, another to deal with Sri Lankan affairs when the Indian Peace Keeping Force (IPKF) landed there and yet another to deal with the crisis in the Maldives.

There was a standing committee to deal with export promotion where various proposals for encouraging exports were discussed. The rationalization of excise and customs duties was a standing problem and both exporters and importers wanted as few duty groups as possible which would also reduce the scope of discretion of the customs and excise officers. At one meeting prominent exporters argued for rationalizing the duty structure. The member of the Central Board of Customs and Excise argued against it saying that this would be misused and abused by business people and, therefore, discretionary powers had to be left with the officers. I remarked, 'I would agree with you if you would also give a commitment that your own officers would not misuse and abuse these powers of discretion and also not make money.' Unfortunately, our rules and regulations are drafted by officials who have an intrinsic distrust of the persons who are to be governed by these rules and they therefore make them as strict and rigid as possible. The

result in many cases was that to save an imaginary loss they made the whole system inoperative. I suggested getting a draft of these rules and regulations from an exporters' committee and then deciding how much of it would be acceptable to us and resolving any differences in a joint discussion. But in the atmosphere of those days nothing much could be done. It must, however, be added that many officials who took such a stand while in service would not mind working as consultants in their own field after retirement.

The Research and Analysis Wing (RAW) is formally a part of the cabinet secretariat. I found that it was taking orders from the prime minister himself. However, both directors of RAW who were with me, Joshi and Anand Verma, always kept me fully informed on important policy matters. It was the same with the director of the Intelligence Bureau (IB), M.K. Narayanan, a fine officer with a keen intellect and an analytical bent of mind. He was highly articulate during discussions and could produce an extremely well-written report. He was a great help to me in the Core Group and in several other matters of internal security. I depended heavily on him while dealing with matters pertaining to Punjab, Sri Lanka and the Ramjanmabhoomi affair. It was a pity he was shifted by V.P. Singh, who too later came to appreciate Narayanan's sterling qualities.

Transfer of civil servants has been a perennially controversial subject everywhere in India and especially in the state governments. I have written extensively on this subject in my various articles.

I now find that some state governments are enacting a law that lays down how to deal with the whole system of transfer of civil servants. Hopefully, the evils of this system would be removed slowly but surely. In the case of the central government this problem certainly exists but there is a system of checks and counter-checks. The general principle of giving adequate tenure is followed mostly everywhere. In the case of secretariat posting the mechanism of establishment officer, the cabinet secretary and the appointments committee of the cabinet takes care of this to a great extent.

The subject of transfers naturally leads to the subject of corruption in bureaucracy. Transfer is used by politicians both to punish and reward bureaucrats for doing or not doing what the former want, and this is mostly to indulge in corruption and abuse of authority. Conversely, some bureaucrats oblige politicians to further their career or amass unlawful



gains. As cabinet secretary I was aware of the widespread corruption in the central bureaucracy, but I could not do much in the atmosphere then prevailing when political corruption was overwhelming. The CBI, when not under political pressure, was doing its best to control corruption and P. Chidambaram, the minister in charge of the CBI, gave it his full support. Besides warning officers not to accept hospitality from persons of doubtful reputation, I also asked them to enforce strictly the government orders not to meet liaison officers of companies and concerns. I made it known that anyone could speak to me about officers suspected of doubtful integrity and that these names would be kept in view while finalizing transfers and postings and empanelling names for higher positions. Once a senior IAS officer from Uttar Pradesh came to call on me. During our conversation this officer had the cheek to say, 'Sir, I have given residential plots to many in NOIDA, but you did not ask for any such plot. I know that a good colony is now coming up on the Delhi-Jaipur highway and I can get you a plot for a farmhouse and a farm if you so desire.' I had to tell him that he had misjudged me and I was putting a black mark against him. He must have mentioned this incident to others and I am glad that the message went around.

## The Drought of 1987

In 1987 the southwest monsoon started on time in Kerala but its further progress to the north was very erratic. By August it was clear that we were in for another scarcity situation in many parts of India, most acute in Rajasthan, Gujarat and Maharashtra as this was the fourth successive year of scanty rainfall. Thirty-seven blocks in six districts in Rajasthan and thirty-six blocks in five districts of Gujarat had to be declared severely drought-affected areas.

I had been closely associated with fighting drought conditions in Maharashtra in 1972. We had found employment for lakhs of people on relief works. Our employment guarantee scheme became a major tool not only for giving relief but also for creating invaluable assets for water conservation and water harvesting through effective institutionalized arrangements.

I discussed the emerging scarcity situation with the prime minister, who immediately agreed to set up a cabinet committee on drought under his chairmanship consisting of all the concerned ministers such as planning, finance, agriculture, water resources and so on. This

committee first met in August 1987 and continued to hold regular meetings for the next year. A committee of secretaries was set up under me as cabinet secretary to monitor and coordinate programmes of the central ministries and the state governments. We met regularly from August 1987 until the drought lasted. Shrinivas Shastri was an experienced, efficient and innovative secretary of the department of agriculture, which deals with scarcity conditions in the country. At our suggestion, the prime minister also nominated some central ministers to be in charge of drought relief programmes in certain states, like Jagdish Tytler for Rajasthan and Bhajan Lal for Gujarat.

The committee of secretaries initiated certain innovative procedures and practices. Instead of waiting for a report from the state government on drought conditions we adopted a more proactive approach and decided to sanction central assistance within thirty days of confirmation of the date of the visit by the central team. This schedule was strictly adhered to. On the pattern of my experience in Maharashtra, we cleared a large number of projects under the 'food for work' programme but for this foodgrains on a very large scale had to be released from the central stocks by the Food Corporation of India. This created a piquant situation. The central government had finalized the buffer stocks policy in March 1984 at 21.4 million tonnes. Foodgrain stocks from 1984 to 1987 were comfortable at about 24–28 million tonnes, but we were forced to draw heavily on them. The chief economic adviser, Bimal Jalan, courageously agreed that these could be drawn upon and the stock position in 1988 came down to 12 million tonnes. The next agricultural season was a good one and the buffer stocks got replenished.

We took special care of women workers. Pregnant women were given light work and a total of six weeks' rest before and after delivery on payment of half wages and were also given some medical attendance. We liberally sanctioned crèches for children.

*Sukhadi*, a dry mixture of jaggery and coarse wheat flour, which had been distributed in Maharashtra in 1972 had proved very beneficial for the health of labourers and especially children, and we advocated its widespread use.

I toured extensively in the Barmer area in Rajasthan and found people reluctant to go on relief works away from their own villages. This must have happened in many other parts of Rajasthan also. Since handicrafts in Rajasthan is a thriving industry, I suggested that instead they should be given raw materials and labour charges and the final

product be purchased by the government. The Khadi and Village Industries Commission and the State Handicrafts Corporation were asked to implement this scheme. We had wells dug and percolation tanks constructed as in Maharashtra in 1972, which besides giving employment also created valuable assets against scarcity conditions. We permitted such works to be undertaken on private lands too.

In Jodhpur, the extension of the Indira Gandhi Canal was held up for lack of funds. This would not only have created employment but also brought more areas under irrigation. I therefore cleared a special release of about Rs 20 crore from the Planning Commission for this work.

Special efforts were made to bring as many additional areas as possible under *rabi* sowing that year. Normally, failure of the *kharif* crop is treated as the end of the agricultural season in that area but we ensured that the *kharif* lands were also brought under cultivation by sowing seed varieties that needed less water.

On the whole, I felt quite satisfied that the experience I had gained during the drought in Maharashtra could be put to good use at the all India level.

In March 1989 Shrinivas Shastri brought out an excellent document, *How We Managed the Drought of 1987*, that dealt extensively and exhaustively with the situation.

# 14

## Economic and Defence Matters

### Economic Affairs

**W**HEN I CAME BACK AS CABINET SECRETARY MANY BOLD AND innovative steps had been taken by Rajiv Gandhi in his first two years as prime minister. The major stumbling block in his efforts was the mindset of the bureaucracy, actively and efficiently nurtured in the era of socialist philosophy and a protected domestic market. They distrusted the private sector and consciously avoided meeting and mixing with them socially. I did not suffer from this phobia especially as I had spent a considerable time in Bombay, the financial and commercial capital of India. I wanted to invite top industrialists to my residence but many of my colleagues were aghast at this idea. Montek Singh Ahluwalia from the PMO, however, enthusiastically supported it. The industrialists were happy that the seniormost bureaucrat in the Government of India had invited them to his residence. In the beginning I sensed a sort of reserve, if not tension, as many of them were meeting senior secretaries for the first time in an informal gathering. Of course Vinod Pande, the revenue secretary, tried to keep himself slightly aloof but I dragged him in and made him mix. I thought it was a great success and the feedback from industry was positive. Rajiv Gandhi also came to know about this and congratulated me for the initiative.

During a discussion about planning, Rajiv Gandhi asked why we must always plan within the limits of our resources. Normally, only the resources we have or can raise are allocated according to the plan which is then made. He thought we should first decide on the goals we wanted

to achieve or the rate of economic development and then work backwards to see what resources were needed to be raised, how this should be done and the policy decisions that would have to be taken. We should go to the people and tell them that to achieve economic prosperity, certain harsh and unpopular measures might need to be adopted. He was sure that if we presented this picture to the people in a transparent way there was a good likelihood of their accepting many of our recommendations and steps. Something similar had been practised in the past in the form of perspective planning. He was also in favour of the concept of a rolling plan. There are projects and activities that are not in watertight compartments but have a gestation period that may not coincide with a plan period. He also did not agree with the Planning Commission's approach to public borrowing. According to him, if borrowings were invested in productive schemes soundly worked out and efficiently executed, then we should not be unnecessarily worried about the quantum of borrowing. He asked me to discuss this with the deputy chairman, Manmohan Singh. He of course had his reservations about politicians favouring populist schemes and their reluctance to take unpopular or harsh decisions. In this and other matters Rajiv Gandhi had serious differences with the Planning Commission and I believe on a couple of occasions these led to acute unpleasantness.

Rajiv Gandhi was aware that the subsidy burden on our resources was increasing every year and something would have to be done urgently. The fertilizer subsidy was a staggering Rs 40,000 crore during the Eighth Plan period. In a discussion I said the major drawback was that the poor farmers were not the major beneficiaries. The fertilizer subsidy was justified when our food production fell short of our needs and we had to depend on food imports at high cost, both financial and political, but there was no need for it now when our food production was enough to meet our needs. I suggested that this should not be abolished at one stroke but reduced every year by a certain percentage until it was either stopped completely or had reached a manageable figure. Another essential complement to this scheme was that the savings on this account be given to the agricultural sector for irrigation and water harvesting. I was told that our net investment in agriculture was not adequate and much more was necessary to use the irrigation potential and to safeguard the watertable. Rajiv Gandhi enthusiastically agreed with this and asked me to pursue it with the Planning Commission, but I was unsuccessful in this approach.

There were many irrigation projects where the full potential was not being exploited as the canal systems were not fully built or maintained properly. I suggested to the Planning Commission that the concerned state governments be allowed to raise special loans for this purpose with a specific condition that bonds would be subscribed to only by the intended beneficiaries. This was necessary so that the bondholders could monitor that the money was properly used and the project completed on time. I made a similar suggestion to the Maharashtra government to raise special bonds for construction of irrigation works on the Krishna river and thus use the Krishna waters awarded to them within the time-frame stipulated by the tribunal.

Allied with this was the matter of national food security. Because of our total dependence on the monsoon, and the modest size of irrigated lands we had to ensure there were enough food stocks to meet any contingency. Memories of how we had been treated by grain-surplus countries when we urgently needed food supplies in the not-too-distant past were still fresh in our minds. We had overcome this danger, thanks to Indira Gandhi's imaginative and bold approach, and now our problem was surplus food production. During discussions in the cabinet secretariat with the economic ministry secretaries, it was felt that our food security stock should contain not only foodgrain but also foreign exchange specifically reserved for this purpose earned by export of food grains and available to us for import if needed necessary. We should have a consistent policy of trading in the world foodgrain export market, and not only when we had substantial surplus production because the world trade stream went to those countries that were regular participants in the market. In fact, the economic secretaries suggested that this approach should be followed for cotton export as well. However, when this issue was raised informally in the Cabinet Committee on Economic Affairs (CCEA), it did not find any support. Ministers were not happy to permit private export trade in foodgrains.

We also toyed with the idea of auction of foreign exchange by the government. Since there was a difference between the official exchange rate for private persons and companies and its value in the open market or in the hawala market, auctioning foreign exchange would mop up the extra amount as budgetary resources. After calculating the basic national requirements of foreign exchange for essential imports for defence, crude and edible oil, infrastructure and so on, the remaining foreign exchange, instead of being made available at a fixed rupee price,

should be auctioned in lots so as to not only maximize the rupee value but also allow the market to decide on the allocation of foreign exchange for various economic activities. The CCEA was not impressed by our arguments as it felt that unscrupulous people would manipulate the scheme to their own advantage.

I always had my reservations about the rate of inflation and the cost of living index – favourite subjects of the finance ministry. The ministry argued that the rate of inflation was being brought under control and therefore the real cost of living would progressively stabilize if not reduce. I said this may be true on paper but the common man did not seem to benefit and jokingly asked the finance secretary to ask the opinion of his wife who had to go to the market to feed his family. It was the same with the cost of living index. I would ask Bimal Jalan, the chief economic adviser, to give me the cost of living index based on the prices of commodities needed by the common man like foodgrains, salt, ordinary oil and ordinary cloth and not one based on a basket that contained many items not needed by the common man. Invariably, I found that this cost of living index was very much higher than that used by the finance ministry in its assessment. Rajiv Gandhi appreciated this very much and often asked for such an index.

Rajiv Gandhi wanted to develop technologically advanced gadgets and products using the process of reverse engineering by studying what had been or was being done by Japan and China in this field. We should import such products or gadgets in enough numbers, keep some in a museum, and give them to industrial entrepreneurs free for analysis and production. He was quite confident that Indians were capable of manufacturing any product if specifications were given; he jokingly said that a Ludhiana machinist could produce a copy of a gadget that even its original manufacturer would find difficult to distinguish. But our industry ministry was not very enamoured by this approach.

The public sector undertaking (PSU) Indu Films had a monopoly in manufacturing X-ray films in India. The Garwares who had a plant in Aurangabad for producing similar films had a proposal to manufacture X-ray films with a well-known joint collaborator but the licensing authority was not giving clearance under pressure from Indu Films. The industry minister was supporting the PSU. I suggested to Rajiv Gandhi that there should be healthy competition in this field for the customer to get the best-quality film at a competitive price. The PSU did not have the capacity to meet the demand and the film was being

imported. Though it planned to increase its capacity, the demand would always outstrip it. Rajiv Gandhi agreed with this and the Garware project was cleared.

Something similar happened with a private sector project for manufacture of photovoltaic cells. The science and technology department opposed the proposal of Tata BP Solar to manufacture such cells as this threatened the monopoly of a PSU. Using the same argument as for the Garware project with Rajiv Gandhi we cleared the Tata BP Solar proposal.

Copper is an essential component of many technically advanced products, but the import duty on copper was high mainly to protect the interests of the PSU at Khetri that was mining and producing copper. This PSU was not producing enough copper and imports were thus inevitable. This was discussed with the CCEA and following its favourable response the finance ministry was asked to look into it.

The foreign exchange position was becoming critical. With the sound fundamentals of the Indian economy we were hopeful of getting borrowings from abroad. But I found that we were going in rather liberally for short-term borrowings. I warned the CCEA that this might create problems in the near future if our foreign exchange position did not improve by the time repayment of these borrowings became due. Unfortunately, our need for foreign exchange was so high and acute that we continued taking short-term loans. What happened is history. Their timely repayment created a crisis almost immediately as our foreign exchange earnings and borrowings were not enough for this purpose.

Sometimes simple facts are not known when proposals are being worked out. When the 1987 budget was being finalized it proposed high excise duty on various mechanical gadgets used in homes on the plea that they were used mostly by well-to-do families. One such item was the washing machine. With my knowledge of Bombay life I argued with Rajiv Gandhi that a washing machine was no more a luxury, at least in metropolitan towns, but almost a necessity with working women. He promptly agreed with me.

One of the steps taken by V.P. Singh, finance minister, supported by Vinod Pande, revenue secretary, was to prepare a blacklist of industrialists and industrial houses that had been accused of avoiding taxes or were defaulters. I asked Vinod Pande to treat this with imagination and sympathy and not with rigidity, because the revenue department's



attitude bordered on acute hostility. Russi Mody, managing director of the Tata Iron and Steel Company (TISCO), came with such a case to me. TISCO was producing, along with its usual product-mix, an item called skelp. The excise department had given a new classification to this product and charged an excise duty of Rs 15 crore. TISCO had gone in appeal against this decision but since this amount was shown as pending against TISCO, the company was included in the blacklist. As a result, TISCO's applications for loans and other assistance from financial institutions were not being processed and had landed it in severe difficulty. The revenue secretary did not accept the argument that excise arrears against which an appeal was pending were not arrears and refused to remove the company's name from the blacklist. I said the company could give a guarantee to pay the demand in case the decision went against them. But the revenue secretary was not agreeable to this either. I finally imposed my decision as cabinet secretary and said that, if necessary, I would get CCEA clearance for it. He relented and TISCO was removed from the blacklist. This argument was subsequently followed by the revenue department and many names were considered for removal from the blacklist.

Rahul Bajaj, managing director of Bajaj Auto, asked for permission to increase its manufacturing capacity of scooters up to one million per year because unless the numbers manufactured were sufficiently high, the unit cost could not come down to make export competitive. I was favourably inclined and asked the industry department to examine the request. This became known to rival manufacturers and there was tremendous pressure on me not to accede to the request because they claimed that Bajaj would then have a monopolistic position and finish the competitors. My argument that increase in the capacity could be subject to certain export obligations did not satisfy them and the proposal fell through.

The Tatas wanted to manufacture a passenger car in collaboration with Honda of Japan and Escorts wanted to manufacture a car mostly for rural areas in collaboration with a French company. Both complained that their proposals were stuck in the industry ministry. The industry secretary told me that there was tremendous pressure from the Birlas of Hindustan Motors and other manufacturers as their Indian market was threatened. And of course Maruti Udyog was the government's own PSU. Neither proposal therefore made any progress.

The managing director of Maruti Udyog complained about the restrictions imposed on the company, as it was a PSU. Privatization had not even been thought about then. I suggested to the ministry that the government share could be brought down to below 49 per cent and the required government holding for this be sold to the PSU's employees with certain lock-in provision. This would free Maruti Udyog from strict government control. The proposal did not make progress as it was argued that this was nothing but privatization through the back door.

The functioning and performance of the PSUs was causing acute anxiety and the prime minister was not at all happy. We called a meeting of selected PSUs in the cabinet secretariat to elicit their difficulties and were left aghast to see the rigidity under which they had to function. There were numerous directions and guidelines laid down by the PSU division of the finance ministry and by the various parent ministries. A small group was set up to examine the finance ministry guidelines and many of them were subsequently deleted. As regards the parent ministry we worked out a mechanism for an understanding or agreement between the ministry and the PSU under which the latter was to achieve certain production figures consistent with productivity, quality control and cost reduction. The PSU naturally wanted certain autonomy and freedom of action which the parent ministry was committed to give. The procedure was given a fair trial and the results were encouraging.

EID Parry had secured the rights to produce crude oil in the Godavari delta. The output from the field was expected to be modest and the company proposed putting up a fertilizer plant with a smaller capacity than that of a normal plant based on the feedstock from the field because they considered that this was viable. The fertilizer ministry opposed this as it would adversely affect the market of its own fertilizer plant in that area. The ministry refused to budge from this position in spite of my best efforts to convince it that its fears were unfounded.

The Modi Group wanted to put up a viscose plant in the Kolaba district of Maharashtra by importing a second-hand plant from Courtlands in the UK. This was permissible under government policy but Gwalior Rayon felt that this would challenge their market position and indirectly raised all sorts of objections including the condition of the plant which they argued would be a waste of foreign exchange. The ministry did not consider the Modi proposal sympathetically in spite of their representation to us.

## Defence Matters

I first heard about General Krishnaswamy Sundarji at the time of Blue Star operations in 1984 when the Indian Army stormed into the Golden Temple, the sacred shrine of the Sikhs in Amritsar, as it was occupied by Sikh militants. He was in charge of this military action and later became the chief of army staff (COAS). By the time I came in as cabinet secretary he had already established a commanding position in the defence field. Rajiv Gandhi was the defence minister and therefore all the chiefs, especially the army chief General Sundarji, had clear and close access to him. They fully exploited this proximity. To add to this Arun Singh, the minister of state in the defence ministry, was completely bowled over by the top brass. It was openly said in the defence ministry and outside that the military chief would tell him what to do and he was happy to fall in line. Rajiv Gandhi could not give much time to look after the running of the ministry which was mostly left to Arun Singh to do. He therefore took many decisions, even major ones, on behalf of Rajiv Gandhi.

General Sundarji was ably supported by his colleague Admiral Tahiliani, the chief of naval staff. Both gave a very high profile to Indian defence. Budgetary allocations were substantially increased. The Defence Research and Development Organization (DRDO) became highly active. India acquired the now-famous Bofors gun. The missile programme got a big push. Work on the prototype of the Arjun tank was given high priority. The navy and the air force too got their share of higher allocation and greater attention. It was generally believed that all this had the personal clearance of the prime minister who wanted India to become a regional power.

This made the position of S.K. Bhatnagar, the defence secretary, very delicate, as Sundarji claimed to be senior to him and would throw his weight around liberally and openly. His position in warrant of precedence was higher as also were his emoluments. Since he was the seniormost chief of staff, and represented the whole military establishment, Sundarji would not personally attend meetings in the defence secretary's room but send his number two instead. Bhatnagar explained this position to me. I knew the sensitiveness of the defence officers and especially their top brass vis-à-vis civilians and their reservations about the defence ministry being headed by a civilian defence secretary. They have always argued that the headquarters of the

three arms of the military, that is, army, navy and air force, should be treated as a ministry of government and therefore as the final authority, and resented their proposals being examined in the defence ministry for final orders.

The intensity of the tension between the chiefs and the defence secretary depended upon their personalities. Bhatnagar was of a mild temperament and could absorb the pressure from the service chiefs. But his successor, T.N. Seshan, was totally different. He was assertive and aggressive. The fact of being in charge of the Special Protection Group that looked after the personal security of the prime minister and his family gave him unrestricted access to him, and he made full use of this position. The relationship between the service chiefs and Seshan became increasingly difficult, but his tenure was a short one, of ten months. We heaved a sigh of relief that there had been no crisis in the defence ministry during this time. Seshan's successor, Naresh Chandra, was more mature and balanced. He knew how to lead a team and deal with people who had their own ego problems. During his tenure, the defence ministry functioned smoothly without giving us any anxious moments.

The standing committee of secretaries in the cabinet secretariat, the Core Group, met every week to discuss important security and other matters. In the first meeting held by me, I found that General Sundarji had sent his number two. I told him that next time only General Sundarji could attend and not hē. The message had the desired result but I could feel that some sort of distance developed between us. At a briefing in the operations room of the defence ministry, General Sundarji had been rather hawkish and vigorously advocated going nuclear. Rajiv Gandhi listened patiently, without expression on his face, but we had learnt from Gopi Arora that he would use the nuclear option only as the last option. During the briefing I asked Sundarji some questions about the payload of the nuclear head and the area that would be affected. He curtly said: 'Civilians need not bother about this.' I had to tell him bluntly that, 'As Cabinet Secretary I not only look after the civilian side of government but also the defence.' There was dead silence but I could see from Rajiv Gandhi's face that he accepted my position. Arun Singh, however, looked uncomfortable.

At another meeting in the defence ministry Sundarji briefed us about Brass Tack exercises. He explained to us that Pakistan was moving its armour from the south in Sindh and concentrating it in the north against our Punjab border. The army's assessment was that this was not only

a tactical move but also a strategic one to threaten us in Punjab. I asked why Pakistan should make itself vulnerable in Sindh when we had a significant presence there. There was only one major bridge over the main river, and in case we bombed it, Pakistan's heavy armour would get stuck there, and maybe it was removing its armour to avoid this possibility. Since we had very strong deployment in Punjab and far superior to Pakistan's, we need not worry unnecessarily about its movement of heavy armour. I was later told that my remarks were not taken to kindly as these were against the army's view and also the army did not like a civilian, even if a cabinet secretary, giving a different interpretation. In fact, this massive mobilization of the Indian Army in the guise of army exercises on the Indo-Pakistan border almost led to a war between the two countries.

Another incident at the same time had more severe repercussions. In one of the Core Group meetings, the secretary of RAW reported that it was openly being discussed in the air force messes in Punjab that India would be attacking Kapalu in Pakistan Occupied Kashmir (POK), and thereby provoke Pakistan to retaliate. I was upset by this information and went straight to Rajiv Gandhi. He immediately called Arun Singh and said if there was any truth in this, all these movements should be stopped at once. If this information was correct then it must have been cleared by Arun Singh but Rajiv Gandhi had obviously not been informed. An inquiry into the matter later revealed that this was a rumour floated by Pakistani intelligence to mislead India. But this was a clever move based as it was on the well-known theories of Sundarji, like 'coercive diplomacy', and his influence in defence matters. His indiscreet remarks about Rajiv Gandhi during the Brass Tack operations were also reported to us. When he was not allowed to escalate the situation, he said that 'the boy has chickened out'.

The next incident was the Wangdung operations in the north-east. The Indo-China border in this area was more or less stable though there was no formal treaty. We had Subsidiary Intelligence Bureau outposts to watch the movements along the border. The Chinese, of course, had their military outposts. RAW also had its wireless network to monitor communications across the border. The units of the Chinese army formation that invaded us in 1962 were still deployed along the border in 1986 as it had become a matter of prestige with that formation. General Sundarji mobilized and moved a strong contingent into this no man's land. We were told that this had become necessary as the Chinese

too had moved forward and built a strong helipad unit. At that time Rajiv Gandhi's policy of normalizing relations with China was being formulated and worked upon. We were also not in favour of a warlike situation on both borders and watched these steps taken by General Sundarji with acute anxiety. Rajiv Gandhi called a meeting in South Block for briefing of the Cabinet Committee on Political Affairs (CCPA) by Sundarji who said that he had established a strong Indian position fully equipped to meet any threat as he did not want the Indian army to face a similar humiliation as had happened in 1962. He also made some derogatory remarks about politicians as a class by themselves. There was dead silence but then I had to tell General Sundarji that, 'We are a democracy and the army functions under a civilian democratic government. You should therefore be more responsible while making such remarks.' He was silent but I had made it clear that the army had to take orders from the civilian government.

Apparently Sundarji had made up his mind to get the baton of Field Marshal and as his date of retirement neared he had many of his colleagues and friends lobbying for him. Even his wife joined in and it became rather embarrassing for all of us to avoid both of them.

Further, Sundarji wanted to have his own nominee succeed him, to influence defence matters even after retirement. General Sharma being the next in seniority should have succeeded him, but Sundarji wanted a favourite general of his to step in, and it was General Nanda whom he had in mind. There was no reason not to give the job to General Sharma the post of General Officer Commanding-in-Chief (GOCC) of Western Command, an active command normally given to the general slated to be the chief of army staff. However, this command was given to General S.F. Rodrigues, Vice Chief of Staff, who was supposed to be in the good books of General Sundarji. General Sharma was given command of the more passive Eastern Command with headquarters in Calcutta, and General B.C. Nanda, junior to him, was in charge of the live Northern Command. However, the defence secretary noted that there was no reason to disregard General Sharma's claim. The prime minister agreed and Sundarji's plan fell through.

### **Other Defence Matters**

Rajiv Gandhi was defence minister in 1985-86. With the prime minister in charge of defence matters, these matters acquired an unnecessarily high profile. The chiefs of staff had direct access to the prime minister;

but the latter did not have the benefit of an independent defence minister for cross-checking. Massive amounts are involved in the purchase of defence equipment and supplies and the prime minister is therefore unnecessarily and personally associated with any alleged irregularity.

When K.C. Pant became defence minister, he started holding regular meetings in the ministry to which the cabinet secretary was also invited, thereby sending a strong message to the military chiefs that the cabinet secretary had a vital role to play in defence matters. The defence minister employed this mechanism to sort out many issues with the finance and other ministries. For instance, army officers were reluctant to go abroad for training arranged by defence establishments, especially in the US, because of the meagre foreign exchange allowance given to them which forced them to live in conditions not in keeping with their position. I managed to sort this out in the finance ministry.

The perennial question of inadequate grants for the defence ministry was repeatedly discussed. The chiefs argued that a fixed percentage of GDP should be set aside for defence and there should be no question of compromising our sovereignty and integrity. How much a developing country like India could afford to spend on defence was another perennial question. At a CCPA I argued that the external security of a country was not the function of only the defence establishment, but of foreign policy too. We should first assess the external threat to our independence, sovereignty and integrity and then work out how to build defence preparedness to meet that threat. If adequate funds could not be found for this purpose because of various constraints, especially the need for development, then other avenues should be explored, such as consciously framing and practising a foreign policy to cultivate friendship not only with our neighbours but also with the so-called enemy of our enemies and with the major powers of the world. The members of the CCPA appreciated this view.

The army wanted the responsibility of collecting intelligence, at least for a two-kilometre depth along the Line of Control (LOC) in Jammu and Kashmir. This was the prerogative of RAW which was naturally reluctant to give up its privilege. A compromise was worked out at a meeting in the cabinet secretariat whereby the army was given the authority to collect intelligence for a depth of about one-kilometre beyond the LOC.

The defence forces, especially the army, are very unhappy about being repeatedly called for internal security duties. They are not trained

for this purpose and do not want to face alienation from the civilian population. There has been an increasing trend to call in the army to deal with serious law and order situations. The army therefore advocated the setting up of a supporting paramilitary force but under its command, and not under the home ministry as was the case with other paramilitary forces. This was to be called Rashtriya Rifles and staffed by serving army officers. There was stiff opposition from other paramilitary forces and especially from the home ministry as this force would not be under its control. I was convinced that such a force should be created to ensure that the army is not involved in internal security duties. I was able to persuade V.P. Singh when he became the prime minister to approve the proposal.

The paramilitary forces also had a grouse against the army as they were not given the same emoluments and other facilities. The Border Security Force (BSF) was especially agitated. Unlike the army, the BSF was continuously positioned along the border; did not have the same housing and cantonment facilities; its group centres were not comparable to the army cantonments; and it did not have exclusive postal services on the pattern of the army postal service for getting letters from home. When this was discussed in the Core Group we found that the defence forces insisted on having an edge on emoluments and other facilities over the paramilitary forces and, unfortunately, we could not do much in this regard.

The army too had a standing grouse that when their jawans and junior officers retired they did not get re-employment in civilian departments. This was particularly so in the paramilitary forces and in the state police. The Core Group found that one reason for this was that the retired army personnel wanted re-employment as near as possible to their home because they had already spent a long time away in service. This was often not possible as the reserved vacancies were in different places. We therefore advised the army authorities to suitably brief the retiring personnel and also directed the paramilitary forces and the state police to be more sympathetic and accommodating.

For historical reasons we have a large establishment of ordnance factories in the public sector. This had its own rationale for existence in the days when military supplies were not produced in the private sector. As the economy developed, there was strong economic pressure to open up the defence sector to private investment as there was no justification for ordnance factories to have a monopoly on items that



could be produced more efficiently by the private sector. This has been a continuous controversy from the early 1970s. The ordnance factories produced Shaktiman trucks at Jabalpur. TELCO and Ashok Leyland, which are private companies, could also produce enough trucks of all types to meet the full requirements of the defence forces. Orders were being placed with these private companies but the defence ministry was reluctant to give up production in the Jabalpur factory in spite of my efforts to restrict their production only to specialized types, which, due to their small requirement could not be produced by the private sector. In another case, Bharat Forge of Poona, which had excellent facilities for producing gun shells for 35 mm guns, presented a proposal for a joint venture with a public sector undertaking to set up a special unit at a safe place where gunpowder could be filled into the shells. But the ordnance factories opposed it. The Swedish company from which we had purchased the Bofors guns was to give us the technology to produce these guns in India. According to the ordnance factories' proposal, setting up such a facility would cost about Rs 250 crore. Bharat Forge and the Poona unit of another private company had excellent facilities to produce the gun barrels. Again the ordnance factories opposed it. The matter was further complicated because of labour unions, as their leaders thought that this would affect their union strength.

The defence forces had to spend huge amounts for import of defence supplies. Air force requirements are significant as they have to import aeroplanes and helicopters. This has been described in detail in the chapter 'What I Knew About Bofors' later in this book but is being mentioned here as it unnecessarily involves the armed forces in undesirable controversies that affect their morale in some cases. It also gives an opportunity to suppliers to corrupt defence officials by offering them bribes directly or indirectly and also appointing them as agents after retirement.

There is a healthy convention and tradition in the armed forces that all three chiefs, army, navy and air force, are given a fixed tenure of two years. This gives them independence and the courage to withstand political influence. We saw the disastrous consequences of such interference in the early 1960s, when Krishna Menon had his favourites appointed to senior positions and this resulted in the Indo-China conflict fiasco of 1962. The politicians had therefore become more careful. There was very nearly a repeat of the 1960s situation in 1990 when the Chandrashekhar government wanted to set aside the announced

appointment of Admiral Ramdas as the new naval chief. This, however, did not happen and Admiral Ramdas took over as naval chief.

The army for historical reasons have large cantonments scattered across the country. I was asked to examine whether this system, which isolates army personnel from the civilian population, should be continued, inherited as it was from the British who had wanted to insulate army units from civilians. In a free country there should be no justification for such isolation. But the advantages are that the army has its own land to establish its own facilities, especially housing for officers and other ranks. The builders' lobby had its eye on cantonment lands, which had appreciated in value, particularly those located near big cities and towns. The Core Group, however, found that the system should continue, but with certain modifications, such as allowing civilian bodies and institutes to set up educational institutions there.

We also examined more integrated defence policies in the light of our efforts to develop missiles to have a strategically designed and located missile shield around the country which would be an integral part of a new location plan for our armed forces, deployment and air force stations. The navy would be accordingly deployed along the sea coast. There would be an integrated top-level defence operational unit for this purpose under the Chiefs of Staff Committee.

I found myself involved in the process of India deciding to go nuclear. It has already been mentioned how hawkish our defence chiefs were in this regard and how firmly Rajiv Gandhi resisted this pressure. At the five-nation six-continent disarmament initiative in Stockholm in early 1988 he had passionately argued for a world free of nuclear weapons. In July 1988 at the third Special Session on Disarmament at the United Nations General assembly in New York he stated his ambitious plan for a nuclear weapon free world by 2010. The background work for this was ably done by Muchkund Dubey, additional secretary in the external affairs ministry who had specialized in the study of this field. In spite of this, by end-1988 – early-1989, we were becoming acutely concerned at our vulnerability, especially when our intelligence agencies gave us firm evidence of Pakistan having the atomic bomb. So far we had taken only ad hoc and rudimentary steps to develop some sort of a programme that would enable us to produce atomic weapons. But now these measures seemed insufficient and inadequate in the national interest. We were apparently caught between two neighbours with the atomic bomb –

Pakistan on the west and China on the east. The tilt of the US towards Pakistan was well established and well known and it was felt that the US might like to cultivate China too. Under these circumstances we were forced to review our approach towards going nuclear. Dr Arunachalam, head of the DRDO, had detailed discussions with me and both of us gave our free and frank opinion to Rajiv Gandhi in favour of a firm programme for going nuclear. A bar chart was prepared by Dr Arunachalam but I insisted on the inclusion of a stage of hold at critical points that would not be crossed without specific clearance of the prime minister. Rajiv Gandhi was extremely particular that the command and control mechanism should be elaborate and foolproof. The clearance was given in March–April 1989. Dr Arunachalam would brief me periodically but I was not too intimately involved later as the prime minister personally kept a watch on the programme. When V.P. Singh took over as prime minister, Rajiv Gandhi did not brief him but the president was requested to do so, while Dr Arunachalam did the detailed briefing thereafter. About our testing the atomic bomb in May 1998, I have already said that before testing it we should have settled the Kashmir dispute with Pakistan on our terms by hot pursuit, by attacking training camps of militants in POK, and also by rearranging the LOC to make the illegal crossing of militants most difficult. Unfortunately this cannot be done now since both India and Pakistan are nuclear weapon countries and Pakistan will always blackmail India and the world community with the threat of using atomic weapons against us.

The Indian armed forces are a big national asset. They have retained their reputation not only as a professional force but also as an apolitical entity. When one looks around in Asia and elsewhere in the world at newly emerging developing countries as independent nations, one has to come to the conclusion that a major reason for our having remained democratic is our armed forces. They could have been tempted to step in when we were facing a crisis and take over the government. It may have been difficult because of the size of the country, but not impossible. We should therefore not do anything to affect the basic apolitical character of our armed forces and their professional competence and fighting qualities. There is a tendency now for retired army officers to take part in politics but this cannot be interpreted as politicization of the entire force as such. At the same time, we should also keep in mind that armed forces personnel, and young junior officers in particular, are

exposed to what is happening around them and the murky politics that is being exposed daily in the media. They are certain to have doubts about government and governance. The authorities should keep a close watch on such developments.

# 15

## Political and Other Matters

### Political Matters

**R**AJIV GANDHI CAME TO POWER ON HIS OWN AT THE BEGINNING OF 1985 with a huge majority in the Lok Sabha that not even his grandfather Jawaharlal Nehru had ever had. A major factor behind this success was that the general elections of 1984 were held in the background of Indira Gandhi's assassination in October of that year. The nation looked upon Rajiv Gandhi with great hope and expectation. He represented to them the beginning of a new era and symbolized a young and modern India.

Rajiv Gandhi apparently made the same mistake that President Gorbachev made when he tried *perestroika* in Russia. He could not master his party's political machinery and mould it in his own way. No doubt Rajiv Gandhi did try, as exemplified by his famous speech in Bombay in January 1986 at the centenary celebrations of the Indian National Congress, when he warned the powerbrokers in the party to behave or move out of his way. But the party machine was too strong for him. As a matter of fact, the party that he inherited was not in good shape at all. The Congress had been on a downward slide since 1975. It came back to power in 1980 with a good majority but it was more Indira Gandhi's personal triumph than any popular love for the Congress. She herself was aware that her grip on Indian politics was slowly loosening and it was more or less certain that in the next general elections, due in late 1984, she would not do so well at all. The Congress that came back to power in 1980 was no doubt Indira Gandhi's personal

creation but it was substantially influenced and shaped by Sanjay Gandhi. It suffered from overcentralization, coterie politics, intolerance of any alternative centre of power and influence, rampant corruption and soft communalism. Because of her ingrained sense of insecurity, she did not trust anybody and therefore centralized power and authority and depended on a circle of close advisers. Her kitchen cabinet was a well-known institution. Sanjay Gandhi refined this further. This resulted in the elimination of leaders who were suspected of harbouring any ambition. Sanjay Gandhi took a perverse pleasure in openly insulting even respected leaders. Corruption became more rampant but also more refined. The system of the party claiming a good cut in all major contracts, especially with foreign supplies, was well established.

As for soft communalism, the Congress definitely had an anti-Muslim image during the period 1975–77. Sanjay Gandhi made this more pronounced as he thought that the Muslims voted in a big way against the Congress in the 1977 elections. Indira Gandhi's partiality for Hindu rites and ceremonies became pronounced after Sanjay Gandhi's death. She started visiting temples and shrines more openly. She was inclined to receive the Ekatma Yagna of the Vishwa Hindu Parishad (VHP) in 1984, but was prevailed upon at the last moment not to do so.

Rajiv Gandhi did his best to set things right, but after his first two years as prime minister he started being buffeted by very strong adverse internal and external political pulls and counter-pulls and forces that he could not manage or overcome. The two factors that hurt him most were soft communalism and corruption.

To take soft communalism, his secular credentials were impeccable. Yet he could not resist political advice to reverse his stand in the Shah Bano case. The Supreme Court had decreed that as a divorcee she should get alimony under the relevant ordinary law and not under the Muslim Personal Law. However, to appease the Muslim community his government introduced a bill in Parliament that in such cases the Muslim Personal Law would apply, thus overruling the judgement. In the case of the Babri Masjid at Ayodhya, the BJP and other members of the Sangh Parivar campaigned that this was built by the Mughals by demolishing the Ram mandir on the site which is the birthplace of Lord Ram. They, therefore, wanted to demolish the Masjid and erect a Ram mandir in its place. A court case was filed. A proposal was put forward that the foundation stone of the Ram mandir, that is, *shilanyas* may be

performed on the undisputed portion of the land till the court decided the case. Rajiv Gandhi could not explain why he acquiesced at all in the opening of the Babri Masjid in February 1986 for worship of the Hindu idols inside. This was the beginning of the Hindutva onslaught that definitively and completely engulfed the Congress. Rajiv Gandhi became a helpless bystander. One could only say that his political inexperience did not allow him to overrule his advisers and boldly withstand the communal onslaught. He was persuaded to permit the *shilanyas* but it only whetted the appetite of the communal forces.

As for rampant corruption, Rajiv Gandhi paid a heavy price even though his personal integrity was beyond doubt. The political machine around him let him down completely. The reputation of his aides and party managers became a huge liability for him. Also the electorate, especially in the north Indian states, did not accept that kickbacks were not paid in the Bofors case.

Added to this was his attitude towards the opposition parties. His opinion about Jyoti Basu, chief minister of West Bengal, may not have been so unfavourable but he had little respect for N.T. Rama Rao, chief minister of Andhra Pradesh, Chaudhary Devi Lal, chief minister of Haryana, or Karunanidhi, chief minister of Tamil Nadu whose DMK party completely routed the Congress in the state elections. At National Development Council meetings there would be heated exchange of words and sometimes unpleasantness too. The opposition chief ministers would complain bitterly about the central government's direct interference in state affairs. Rajiv Gandhi took all these chief ministers head-on together. Prudence would have demanded that he handle them with courtesy and gentleness or at least separately and not together; but apparently he could not do so, perhaps because he thought that his huge majority in Parliament had given him an overwhelming popular mandate or he had been given wrong advice by his political aides. At one National Development Council meeting the unpleasantness reached such an extent that the opposition chief ministers walked out. Highly upset, Rajiv Gandhi asked the officers of those states to leave the meeting as well.

He did not show the necessary respect and consideration for parliamentary proceedings. He was curiously unwilling to attend Parliament sittings unless absolutely necessary. Maybe he was bored if not disgusted with the quality and behaviour of the opposition members of Parliament. But this is not a justification for his not paying due attention to the working of Parliament.

Normally, as cabinet secretary I did not concern myself with the appointment of ministers or allocation of portfolios. When V.P. Singh resigned as defence minister and the prime minister took charge, the service chiefs lobbied with him to continue as defence minister as they would then have direct access to him. I was against this as I thought that in defence matters the prime minister should have independent civilian advice from a minister. I mentioned the name of K.C. Pant to him but this was opposed by his political circles on the grounds that Pant had deserted Indira Gandhi in 1977 and should not therefore be given such a high-profile job. Apparently, Rajiv Gandhi had my recommendation in mind.

When Rajiv Gandhi wanted to shift M.L. Fotedar from the PMH and make him health minister, he asked me to speak to P.V. Narasimha Rao, minister of HRD under which the health ministry came. Rao who thought that Fotedar would come as a minister of state under him said he had no objection. This was not acceptable to Fotedar or to Rajiv Gandhi and he was appointed minister for steel.

Rajiv Gandhi's reaction to state funding of elections was curious. I argued that expenditure on elections was a major source of corruption in India and there should be some method evolved for state funding. He remarked, 'Why should I give funds to the opposition parties to fight me,' by which he meant that Congress as the party in power owned public funds.

The Janata party was in power in Karnataka and Rajiv Gandhi succumbed to the advice of his aides to destabilize that government. Rajesh Pilot visited the state a couple of times and was apparently successful in winning over a good number of non-Congress MLAs including Janata party MLAs. The Congress wanted Venkatsubbiah, the governor, to send a report recommending president's rule, but he was reluctant to do so. I was present when the home minister and Rajesh Pilot persuaded Rajiv Gandhi to send a strong message to him. I was also with the home minister when he telephoned the governor and it was obvious that the governor was not impressed by his arguments. He then handed the telephone to me to speak to the governor. My only statement was that the prime minister so desired it. Ultimately president's rule was imposed.

Sharad Pawar, former Congress stalwart from Maharashtra who had split and formed his own party, was causing anxiety to the Congress. Rajiv Gandhi was persuaded to admit him back into the Congress,



though he was not too sure about the latter's loyalty. Ultimately, Pawar was made chief minister of the state and Shankarrao Chavan brought back to the central cabinet. But doubts about Pawar's loyalty persisted.

When the Congress joined the National Conference in the Jammu and Kashmir state elections, the director of the Intelligence Bureau warned that this would be in the interests of neither the National Conference nor the Congress. The former would be called a stooge of the central government while the latter would be tainted by the unsavoury reputation of the former. I discussed this with the prime minister but his mind was already made up on the subject.

Fotedar used to be one of the principal political advisers after Arun Nehru was removed. When he became a minister, Rajiv Gandhi's advisory group reportedly consisted of Buta Singh, Rajesh Pilot, Ghulam Nabi Azad and later R.K. Dhawan but I was not involved in this politicking either as cabinet secretary or as principal secretary to the prime minister.

Fortunately Sheila Dixit was appointed minister of state in the PMO to look after the political side and the prime minister gave her files that he thought should be handled by her. Only those files would go directly to her that concerned non-officials' appointments on the boards of directors of financial institutions and public sector undertakings. She had a very correct attitude and did not interfere in the working of the PMO. We were happy to work with her.

One communal riot that caused us acute anxiety was the one in Meerut in 1987. Many corpses of Muslims were found floating in the canal waters near the city and the allegation was that this was deliberate killing either by the Hindu majority community or by the armed police. The state government wanted to play this down but there was a big outcry. Mohsina Kidwai was sent to Meerut but no firm course of action emerged. The chief minister of the state was not touched at all and Rajiv Gandhi was very uncomfortable about it.

## Other Matters

The Core Group felt the need for a standing coordinating mechanism for all the central intelligence agencies. This need was acutely felt while dealing with Sri Lankan affairs especially after the arrival of the IPKF there. We studied a similar mechanism prevalent in the UK where the cabinet secretary formally presides over a group of intelligence agencies.

This committee not only coordinates the working but also has the authority to task them. I have dealt extensively with this subject in my article 'Central Intelligence Agencies – Lack of a Standing Coordinating Mechanism'.

Rajiv Gandhi, on a visit to Colombo, was hit by a Sri Lankan naval rating while inspecting the Guard of Honour. This brought to the fore that there was no institutional mechanism to run a government in the event that a prime minister was either no longer alive or seriously incapacitated and the council of ministers was left without authority. I suggested that in such a case the cabinet secretary should immediately call a meeting of the home secretary, the director IB, defence secretary, secretary (RAW) and the head of the Joint Chief of Staff Committee. They should take all the necessary action to keep the situation under control and then go to the president who would nominate the new prime minister and get him sworn in so that the continuity of the constitutional government was established immediately. We would then take orders from the new prime minister. Rajiv Gandhi said that this was an excellent suggestion and he would consider it.

Related to this was the issue of a safe retreat for the prime minister if his office in South Block or his residence on Race Course Road came under a security threat or attacked or bombed. It had earlier been decided to use some basements or cellars in the Rashtrapati Bhavan but this was no longer an option in the changed world situation, especially in case of a nuclear threat. We started a preliminary search and zeroed in on an underground shelter under the Ridge Road. This was later changed.

As a matter of fact we were not too happy with the location of the prime minister's residence on Race Course Road. From the security and safety angle it was not an ideal place, being closely surrounded by residential areas. We thought that the prime minister's house where Jawaharlal Nehru lived, that is, the Teen Murti estate, was ideal for the residential complex of the prime minister of India. Unfortunately, Nehru's successor, Lal Bahadur Shastri, had not wanted to live there for sentimental reasons and so it was converted into the Nehru Museum. I suggested to Rajiv Gandhi that he should seriously consider shifting his official residence back to Teen Murti, an action that would not be misunderstood as he belonged to the Nehru-Gandhi family. Any other prime minister doing this would be misunderstood as trying to destroy the legacy of Nehru since the museum in his name was housed there.

We could certainly find another suitable location where a magnificent building could be constructed to house the museum. I could see the nostalgic expression on Rajiv Gandhi's face, as he remembered his happy childhood days at Teen Murti with his grandfather. But somehow he was reluctant to shift the prime minister's residence there. It was a pity as there is not a more suitable place in New Delhi than Teen Murti to have an independent and self-contained residential complex for the prime minister.

There was a perennial discussion regarding the relationship between the cabinet secretariat and the PMO. The allied institution of the PMH is also closely involved in this relationship. My view is that we need both the cabinet secretariat and the PMO but they should respect each other. The cabinet secretariat is an institutional mechanism and a formal part of the government. The PMO does not have any statutory position and should only be a highly professional body that advises the prime minister but without interfering with the cabinet secretariat or other ministries and departments of the government. The PMO should work with the cabinet secretariat and the latter should also recognize that the PMO has every right to advise the prime minister on what it thinks is in the public interest. But the PMO should not under any circumstances wield the authority of the prime minister. Much would of course depend on the PM's personality and the way he or she uses the PMO. But if all concerned follow the rules of the game there is no scope for misunderstanding or confrontation, and this has been my experience both as cabinet secretary and principal secretary to prime minister. I have written extensively on both these positions in various articles. Sarla Grewal was the secretary to the prime minister when I came as cabinet secretary. We had excellent relations with each other. The other senior officers in the PMO, Gopi Arora, Otima Bordia, and Montek Singh Ahluwalia, also respected the authority of the cabinet secretary. I dealt with them frequently and extensively on various matters referred by the cabinet secretariat to the PMO and they reacted with respect and due consideration and there were never any differences. I continued this tradition when I became the principal secretary to the prime minister and T.N. Seshan took over from me as cabinet secretary. I sent a clear message to my colleagues in the PMO that they should treat Seshan as they had treated me. However, due to his earlier close access to Rajiv Gandhi, Seshan sometimes tended to tread on the PMO's turf and then I had to be firm with him. When Vinod Pande became the cabinet

secretary, our relationship continued in the same way. Vinod was more discreet and perceptive towards the PMO.

The PMH was a different matter altogether. There was no constitutional or statutory basis for this organization, rightly called an extra-constitutional authority. Rajiv Gandhi gave me the liberty to cross-check with him any orders conveyed in his name by the PMH. I made this known to all my senior colleagues and this had a salutary effect. But I must admit that the PMH did play its usual role in influencing government working and decisions, especially posting of senior officers and filling of critical positions. Originally the PMH consisted of M.L. Fotedar and Satish Sharma, but Fotedar was later made a minister. Satish Sharma often threw his weight around in a rather crude way and once ordered Venkatiramnan, finance secretary, in a most objectionable tone to carry out a certain action. When he checked with me I told him not to do so and tell Sharma to approach me. Another time S.B. Chavan, finance minister, said he had received a message from the PMH that Dixit, a senior officer in the State Bank of India, should be appointed the next chairman and asked me if this was really the intention of the prime minister. When I checked with Rajiv Gandhi he said that he had not conveyed any particular name but merely that a decision be taken by the finance minister on the merits of the case. This cross-checking with the prime minister was naturally not liked in the PMH. In another case, however, the PMH succeeded in what it wanted to do regarding the post of the new chairman of the Central Board of Direct Taxes (CBDT). The seniormost IRS officer fully deserved the position but was superseded by A.S. Thind, the nominee of the PMH. Even though I spoke to the PM, I could not reverse the decision.

As municipal commissioner of Bombay from 1975 to 1978, I was fully aware of the problems faced by the city and when I became cabinet secretary I argued Bombay's case within the central government. My argument was that Bombay, the financial capital, should be treated at par with Delhi, the political capital. A study showed that Delhi was being given a subsidy of about Rs 200 crore per year. One can understand the central government spending money on Delhi's infrastructure because it is the capital of the country but there was no justification at all for subsidizing the Delhi Transport Undertaking (DTU), Delhi Electric Supply Undertaking and Delhi Milk Scheme (DMS)! If Bombay could manage through BEST (Bombay Electric Supply and Transport Undertaking) both transport and supply of electricity without any

subsidy then Delhi should also do so. DTU was suffering a loss of almost Rs 90 crore per year. I was told that nowhere in the world is urban transport self-financing. It did not answer my query that if BEST could subsidize bus transport through its electricity earnings, why could DESU not finance DTU's loss. But the fact was that DESU itself was losing heavily. The politicians looking after Delhi's interests had a very powerful lobby in the central government and the reason was obvious. The Bombayman was a loyal Congressman and could therefore afford to be ignored. But there is a strong presence of the Jan Sangh, now BJP, in Delhi for historical reasons and therefore the Congress party has to be extremely careful in cultivating Delhi's electorate. I suggested that we should transfer DTU to the Delhi administration at a nominal price of Re 1 because that would at least save us recurring losses of Rs 90 crore per year! This was opposed as I found that recruitment of DTU staff was a big patronage available to politicians. DTU buses were also readily available for collecting crowds. As for DESU, it is a sad commentary on the central government that always preached to the state electricity boards how to manage their finances. The department of power of the central government that managed DESU went to a ridiculous extent. It sought a World Bank loan but was refused it as DESU had accumulated a loss of about Rs 300 crore. The department of power came to the cabinet with the outrageous suggestion that the government write off this loss so that it could approach the World Bank. The World Bank could not be taken for a ride as it insisted on a foolproof method of pricing and collecting dues in time. When DMS started losing money because the purchase price of its milk went up, Delhi politicians again opposed any increase in the sale price. This affair became rather comic. The agriculture minister Bhajan Lal's proposal was opposed by H.K.L. Bhagat who came from Delhi. We had to manage in such a way that the issue came up before the cabinet when Bhagat was not likely to attend! When Bombay contributes such a large share of central revenues, it has a right to claim a fair share for its civic development. If the central government can afford to pamper Delhi's citizens only because the ruling party wants to retain its hold in the capital, it should at least have the decency to do justice to Bombay's claims. A one-time grant of Rs 50 crore was given to Bombay in the mid-1980s and the Bombay Regional Congress Committee went to town on the grant of such a paltry amount and that too, too late.

I tried to resolve another matter relating to Bombay. Bombay High was producing a large quantity of natural gas that was being used for generating power at Uran near Bombay. It was also being pumped through the HBJ pipeline to the north for petrochemical complexes and fertilizer plants. By 1975, when I was municipal commissioner, the Bombay Gas Company which had been supplying piped coke gas for cooking and streetlights, had become non-functional. Gas streetlights had been replaced long ago by electric streetlamps but there was no substitute for cooking gas. As chief secretary of Maharashtra in 1985, I renewed efforts to get gas from Bombay High to be supplied to the citizens of Bombay through a piped network. The plan was to take over the pipe line network of the Bombay Gas Company and put it into operation after extensive repairs and erect a gas terminal with storage capacity near Uran for this purpose. Though our requirement was not at all high, the petroleum ministry just would not oblige us, saying that there was no surplus gas for this purpose. As cabinet secretary in 1986 I asked the petroleum secretary to find a way of providing gas for domestic purposes for Bombay city. When nothing happened I said that I would like to issue orders to the petroleum ministry to comply with my suggestion and thus managed to get a substantial quantity of gas reserved for this purpose. This was communicated to the state government for taking further action. It is another story that the government took quite some time to set up a corporation for this purpose.

The Anti-defamation Bill was introduced in the Lok Sabha in September 1988. P. Chidambaram discussed this with Rajiv Gandhi and all of us felt that the legal loopholes and the absence of a specific separate act was widely invoked to defame well-known, especially political, personalities. The burden of proof was on the person filing the defamation suit, which had to be filed at the place where the defamatory article was published. This meant unnecessary harassment of travelling long distances. It was therefore thought that at least some part if not the whole burden of proof should be shifted on the person who made the alleged defamatory statement and that it could be filed where the alleged defamed person lived. But the bill created an uproar in the press and there was opposition to it from within the Congress party itself. Its argument was that a free press is the inherent strength and dynamism of a living democracy and nothing should be done to harm it. The bill was passed in the Lok Sabha but because of

the immense opposition and pressure the government had to withdraw it in the Rajya Sabha.

The tradition had been for the cabinet secretary not to go on tour and definitely not foreign tours. I wanted to break this tradition and went out of town at least once in three or four months. For a cabinet secretary to be a real adviser to the cabinet and the prime minister, he should have first-hand knowledge of what was happening in the country; it was not enough to meet political representatives and service officers from the states only at meetings in Delhi.

I visited Bihar in late 1986. The situation there was causing acute anxiety on both the political and administrative fronts. I held wide-ranging discussions with the senior officers and field officers. I was aghast at the extent of politicization and caste infection in the administrative machinery. Officers, both senior and junior, identified themselves with politicians and caste groups and this had infected even the IAS officers from outside. The tenure of field officers was very short and they were shifted at the whim of politicians. I briefed the prime minister and suggested that we select about fifteen districts, strategically located across Bihar, and post specially chosen district officers, who would have direct access to the cabinet secretary and would not be shifted without his clearance. This would send the message across the political and administrative spectrum that the central government was directly involved in and concerned with good governance. Imposition of President's rule was out of the question as it was a Congress-run state. The prime minister, however, did not think that this idea was practical, though he did later send a message to the chief minister.

(My visits to Jammu and Kashmir and Punjab have been covered in separate chapters.)

I went to Himachal Pradesh in June 1987, and visited, among other places, Manali and Simla. From Manali I went to the Rohtang Pass to see the progress of the proposed all-weather road connection between Himachal Pradesh and Ladakh. Colonel Cheema, officer in charge of Project Deepak of the Border Roads Development, said that preliminary investigation and planning work on the Rohtang tunnel was going on and that he did not want any break in this due to shifting of officers. He requested my help to prevent such shifting. I was aware of the strategic importance of this road, as an alternative line of communication to the Ladakh region if for some reason it was isolated from the Kashmir valley. I raised this issue with the defence minister but nothing much happened.

At Simla the chief secretary said the Nathpha-Jhakri hydroelectric project was not making progress as the control board had not been constituted because the state's interests had not been adequately addressed and guaranteed. I was taken aback and called the secretary of the ministry to constitute the control board immediately. The project proposal was on the move then.

The director of the Archaeological Survey of India (ASI) invited me to visit Agra and Mathura in April 1988. The ASI found it difficult to recruit qualified civil engineering staff as this was not as attractive as other government departments such as CPWD and railway engineering and salaries could not be upgraded on the principle of common comparability of pay scales for equal qualifications in government service. I suggested that he make a proposal of giving special duty pay for his qualified staff as some sort of compensation and told the expenditure secretary to examine this sympathetically. His other difficulty of not being able to print ASI publications on time was that the government printing press gave them low priority. This was sorted out as I authorized their being printed from outside. At the Agra Fort the inlaid stones on some wall panels had suffered damage because there were no chain guards to prevent people from touching them as the public and politicians objected to this. I immediately authorized him to install the chain guards. Later I noticed a similar problem in the Red Fort complex in Delhi. The old building at Agra where the great Maratha warrior, Shivaji, was held captive by Aurangzeb was now being used as a petty government office. I sent a message to the Maharashtra government to acquire this structure and put up a proper memorial to Shivaji. The ASI's general difficulty was inadequate budget allocations. The director's modest demands of an additional Rs 5 crore or so could easily be granted by reappropriation, and I asked the finance officer in the ministry to get this done. The director was satisfied but of course the results only came slowly through the bureaucratic set up.

The textile secretary wanted my help to sort out the difficulties being faced by the NTC mills in Bombay. They had large surplus lands which, if sold, would help the authorities not only to settle the dues of the workers but also to invest in modernizing the mills. The state government was not giving permission under the Urban Land Ceiling Act. I visited Bombay with him and met the chief minister. We said that even the leftist West Bengal government was sympathetic to such suggestions made by the textile ministry. Our concrete proposal was that



one-third of this land be given to the state government for public housing; one-third to the civic authorities for gardens and playgrounds; and the remaining one-third sold to private parties in auction but with extra compensatory FSI. The Maharashtra government was not responsive towards the proposal.

I visited Bombay High in May 1987 and the Oil and Natural Gas Commission (ONGC) establishment in Dehradun. I also visited Baroda in January 1988 as the public sector Indian Petrochemicals Limited was one of our star performers.

A regional GATT meeting in Islamabad gave me an opportunity to visit Pakistan with the prime minister's permission. Not only was S.K. Singh, our high commissioner, a seasoned diplomat, he had also established a close rapport with the Pakistan government in general and with certain top persons in particular. Of course, we were closely followed by the Pakistan intelligence wherever we went, but this was quite normal. We also went to call on the Bhutto ladies. As luck would have it, that same morning the high court had given its decision in favour of the Bhuttos and there was a large crowd of their admirers and followers near their house, and they watched an official car flying the Indian flag with curiosity. SK also took me to the defence headquarters at Rawalpindi. The civilian officers freely chatted with me and a very senior civilian said, 'You have done us a favour by taking away East Bengal from us. I would, however, sympathize with you for the trouble you have created for yourselves.' Among the top brass present at tea I could see a few hostile glances that were natural as some of them must have been taken as prisoners in the 1971 Bangladesh war.

I had met Robert Oakley, US ambassador to Pakistan, in Delhi, when he had called on me at my residence and had been amazed to see such a modest bungalow. He told me frankly that in Pakistan such a senior bureaucrat would be living in a palatial house with all the amenities thrown in. I had to use his acquaintance again in a rather curious manner. The South Asian Association for Regional Cooperation (SAARC) Conference was to be held in Islamabad in late 1988. T.N. Seshan, in charge of SPG, in his usual more-than-loyal way, said that Rajiv Gandhi would go to Islamabad 'over his dead body'. His not going would have created a first-class international incident. An Indian prime minister had not formally visited Pakistan for almost thirty years, since Pandit Nehru's visit in 1960. Further, Rajiv Gandhi had established a good rapport with Benazir Bhutto and was keen to consolidate it in the interest of the

emerging friendly partnership in the subcontinent. Rajiv Gandhi admitted that he was in two minds about going. I asked him to give me a couple of days to look into the matter. I proceeded to have a private channel opened with Robert Oakley to which I got prompt feedback. Benazir Bhutto was anxious and also keen that Rajiv Gandhi visit Pakistan and the Americans endorsed her confidence. I accordingly advised Rajiv Gandhi to go to Islamabad and his visit was a success.

Rajiv Gandhi was extremely particular about the spread of primary education, a prerequisite for sustainable growth not only in economic, but also in the political and social fields. This was the only way to improve the quality of life and the human resource stock of the country. He therefore fully supported the HRD minister, P.V. Narasimha Rao, and a new education policy was formulated of which Operation Black Board and the establishment of Navodaya Vidyalayas were some of the hallmarks. Budgetary allocations were also increased steeply. I suggested to Rao that we should not commit the same mistake in the staffing of the Navodaya Vidyalayas as had happened in the case of central schools, where the staff was centrally recruited and then posted at various places. Since the Navodaya Vidyalayas would be located in rural areas the recruitment should be suitably reconstructed or, alternatively, local social or educational organizations encouraged to undertake the work. Rao said that he would have it examined but there was lukewarm response to these ideas.

Rajiv Gandhi was becoming increasingly aware that various popular movements in different parts of the country reflected the deep dissatisfaction of people with the governance system. Most thought that the exercise of power was not as near the ground level as possible. There was no real democratic infrastructure near villages or rural areas. No doubt panchayati raj institutions had been established in many states but it was also a fact that village panchayat elections had not been held even in Congress-governed states for ten to fifteen years. The result was obvious. Well-to-do peasants and farmers had built up a power structure that wielded strong influence on state-level leaders. Between the two they not only controlled the political levers but also developmental finances and funds. West Bengal, Karnataka and Andhra Pradesh had set up a third level of government, an apparatus elected on party basis and by universal adult franchise. The authorities were invested with substantial power and funds. Many developmental activities were centred at the district level and did not remain at the state level. There

was appreciation of these initiatives but Rajiv Gandhi did not think much about them obviously because it was the opposition parties who were involved and not the Congress governments. But gradually he came to realize the necessity of having a democratically elected rural self-government structured as the third tier of popular democracy. He developed this idea further. In 1986 two groups of ministers were appointed to examine the entire issue and produce a working paper. He met several district collectors to get a first-hand view of the conditions in the field. In January 1988 he met a large number of rural party workers and panchayat leaders. The whole of 1988 was devoted to ascertaining views and working out a consensus model which was to include grassroots-level planning, decentralization, devolution of powers, mobilization of resources and the relationship between the different government heads and elected rural bodies. Statutory provision was also to be made for holding elections at fixed intervals and appointment of a statutory finance commission to distribute funds between state governments and panchayat bodies. Rajiv Gandhi hoped to finalize concrete statutory and constitutional measures to achieve this by mid-1989.

There was however disquiet on the method adopted amongst the state governments, not only those ruled by the opposition but even some of those ruled by the Congress. They did not take kindly to the central government directly approaching organizations, leaders and the people and bypassing the state government. The opposition treated this as an unwarranted invasion by the centre in the sphere of activities reserved for state governments. In the Constitution there are only three lists of subjects, (1) Central List (2) State List and (3) Concurrent List. They said that Rajiv Gandhi's latest initiative did not have statutory and constitutional backing. The National Development Council meetings often became slanging matches between opposition leaders and the prime minister and his colleagues. But Rajiv Gandhi persisted. A bill was drafted and later introduced in the Lok Sabha.

Another of Rajiv Gandhi's ideas was to have some form of indirect elections. We had adopted the scheme of universal adult franchise but our experience with its implementation had not been too satisfactory – perhaps because we did not give enough time for its proper evolution. Indirect elections were not possible for the assembly and Parliament as these elections were governed by the Constitution, but they were possible at least in the panchayati raj structure. There would be direct

elections only at the village panchayat level and thereafter up to the zilla parishad level there would be indirect elections, the electoral colleges being formed by the village panchayat electors for the panchayati samitis and the panchayat samiti electors for the zilla parishad.

On the birth centenary of Jawaharlal Nehru in 1989 the Jawahar Rozgar Yojana (JRY) was introduced, which was expected to give one person fifty to a hundred man days of work in a year. Rajiv Gandhi had noticed that funds of central schemes for creating rural employment and for other welfare measures were often not passed down by the state governments or used for the purpose for which they were meant. Also, at every stage the agencies and persons through whom the funds passed misappropriated a large portion for themselves. In the case of the JRY, he therefore adopted a new idea. He laid down that not less than 80 per cent of Government of India funds be given directly to the DRDO authorities and that they not be channelled through the state governments. Of course many state governments and especially the opposition states called this undue interference and an expression of no confidence in them, but Rajiv Gandhi was firm and stuck to his decision.

Rajiv Gandhi formed technology missions to tackle some of the acute problems facing the country by using the latest related technologies and modern management techniques. This was totally new to bureaucrats who regarded this as outside interference in their field and a reflection on their capacity to execute programmes successfully. They went one step further, saying that if they had the same authority and freedom of action as given to Sam Pitroda, adviser for telecommunications and technology missions, they would produce equally good results. Sam Pitroda's personality, method of working and utter lack of appreciation of the work of even good bureaucrats were bound to exacerbate the relationship. Added to this was the fact that he was made chairman of the Telecom Commission in June 1989. I had no occasion to evaluate any of these missions and can thus not write about their successes or failures, but certainly his steps to make available to rural and remote areas the facility of ordinary telephoning and trunk route dialling was a great success and highly appreciated by everyone. PCOs and STD kiosks dotted all over the country were a great boon to the travelling public. Sam Pitroda's other successes might have been forgotten but not this one.

Like his mother, Rajiv Gandhi was passionately committed to conservation of nature and protection of the environment. He created

a separate ministry, the Ministry of Environment and Forests, and gave it full recognition as an independent ministry. Strong legislation was enacted and it became mandatory to get the central government's permission for use of forest area for non-forestry purposes, particularly when roads were to be constructed through forests or any forest land was to be taken over for other types of construction works. Often, however, such clearances became a stumbling block if the matter was not handled imaginatively or in a practical way. We would get numerous complaints from the state governments that clearances for urgent projects were held up unnecessarily for lengthy periods, but even if this was true, it was necessary to set right the immense damage caused so far to ecology, nature and forest wealth. There were times when the minister was in favour of granting clearance, but Seshan as secretary would say no, being fully confident that he would be backed by Rajiv Gandhi. His own minister, therefore, was careful with him. I was personally involved only in one case of a clearance to be given, to the Tehri Dam project. Its chequered history is well known. It was one of the projects presented to the Soviet Union for funding when President Gorbachev visited then. Clearance to the dam had been denied in the past but when I held a meeting of the concerned secretaries we found that Russian expertise in construction of such major dams in ecologically and seismically sensitive areas was very extensive and we could depend on it in the case of Tehri. We recommended its clearance, which was accepted by Rajiv Gandhi.

India has large tracts of wastelands. In May 1985 Rajiv Gandhi set up the Waste Land Development Board and appointed Kamla Choudhary as its chairperson. However, the board did not function smoothly because of the friction between the chairman and Seshan, secretary in the ministry. Kamla Choudhary's patience got exhausted and she resigned in 1988. The board's work did not progress significantly though Professor Dilip Mathai continued as vice-chairman for another year. I later suggested that if the government did not have sufficient funds to afforest such lands, especially hillsides, we should hand these lands over to private agencies and corporate houses, which would work under full and direct guidance and supervision of the forest authorities. The private agencies would be entitled to the income from afforestation. There was not much response to my idea mostly because of the fixed mindset of the government, of being suspicious of private agencies doing public work instead of the government. In sheer

desperation, I said, 'Should we opt for a private forest or socialist waste land?' We also initiated a proposal that all existing and future projects with a certain minimum capital outlay should have an environment adviser on its management or project staff. This would ensure that no step would be taken to adversely affect the environment. We recommended that even certain ministries such as irrigation, power, mining, surface transport, railways should have environment advisers.

The Prime Minister's Office monitored implementation of the election manifesto of the ruling party. Rajiv Gandhi, however, asked the cabinet secretariat to make a systematic assessment of the working of certain ministries. We prepared a standard format to gather the information and evaluate it and then submit it to the prime minister. We also examined whether we could ask the ministries to send us an outline of their future plans and working for the year to help the prime minister to determine the performance of the ministries and their leaders.

I took personal interest in the family welfare department as I was convinced that overpopulation was one of India's major problems. I was also convinced that this kind of work could not be carried out by government servants. If they know that they have the protection of government rules then we cannot expect a committed performance from them in social welfare activities. If targets were given to them, they would somehow produce reports that they had achieved the targets. Under the system, health officers and their staff were entrusted with this work, but most of them worked as bureaucrats and the family planning programme therefore did not make much progress. I argued with the department that the budgeted funds for the programme should be given to committed and well-respected NGOs and that we should start identifying such NGOs – I knew of one in Maharashtra where Dr Banu Coyaji and the KEM Hospital organization that she headed was doing excellent work. But there was resistance to this idea from the department of family planning and the ministry of health and state department of health. They feared that they would lose control over the use of funds and have to drastically reduce staff. The staff could not be transferred as they would have consumed about 75 to 80 per cent of the funds leaving very little for the concerned NGO to carry on real work in the field. Neither was the advocacy of the programme being carried out professionally and the adviser in the department, who was on contract, was bitterly critical about it. I tried my best to sort out these and other difficulties but not with much success.

Rajiv Gandhi wanted to reconstitute the board of directors of both Air-India and Indian Airlines and have younger and more professional people. The civil aviation ministry recommended Ratan Tata as Air-India's chairman and Rahul Bajaj as Indian Airlines' chairman. As usual the file was sent through us to the appointments committee. Ratan Tata was astonished when I told him he was going to be the next chairman of Air-India and did not believe me because Russi Mody had already started proclaiming that he was going to be the next chairman! Neither airline was known for punctuality and neither had enough aircraft; a single one not being available at the right time affected the whole chain. At least they could have informed passengers about delays but this was not happening particularly in the case of Indian Airlines. The secretary, civil aviation, gave statistics of IA flights with a high percentage of punctuality, but I found their definition of punctuality allowed a margin of half an hour.

Mother Teresa wanted to visit South Africa but her Indian passport was not valid for that country at the time. She was then in Kenya and Navin Chawla, an IAS officer who was an ardent admirer and follower of hers, spoke to me. We hit on a clever plan. I asked the Indian High Commission in Kenya to give Mother Teresa and her colleagues an ordinary but official certificate stating that they were Indian citizens. With this certificate they obtained a visa to enter South Africa without the Indian passport being involved in any transaction and everyone was happy that Mother Teresa could visit South Africa. She graciously mentioned this when we met in New Delhi on the occasion of the release of a book written by Navin Chawla.

The Government of India announces Padma Awards on the occasion of Republic Day. The Janata government discontinued the practice but Indira Gandhi revived it when she came back to power in 1980 and they were announced on Republic Day that year. Recommendations for the award are received from various ministries and departments of the central and state governments and from prominent personalities. All these are scrutinized in the home ministry by a committee chaired by the home secretary and sent to the PMO, which makes its own amendments, and then to the president for final approval. The president too may add his own nominations. When the final list is received back in the home ministry, the revenue department of the finance ministry is consulted to see whether there is any financial impropriety regarding any person. Simultaneously, the proposed awardees are contacted to

ascertain whether they will accept the award. The list is finally announced to the press late on 25 January for publication the next day, that is, Republic Day. I was associated with the entire exercise for the first time in December 1986–January 1987. Instructions had been issued by Rajiv Gandhi that we should be extremely selective in these Padma Awards to maintain their importance and dignity in national life. He was very particular about the size of the list. There is a great deal of lobbying for the Padma Awards and people who are in Delhi or nearabout, are in a privileged position as they are not only known to ministers, top bureaucrats and politicians, but can also frequently lobby with the persons concerned. The medical profession is a class by itself; especially physicians and surgeons dealing with heart problems have treated many senior politicians and bureaucrats and their names are always recommended and lobbied for. Naturally, those practising in Delhi always have an advantage. It is the same with artists and writers. I included the names of Dr Ashok C. Shroff, a well-known ophthalmic surgeon in Mumbai and Prabha Atre, a reputed classical singer. I also recommended the name of Dr K.H. Sancheti, an orthopaedic surgeon from Poona but for some convoluted reasons his name was rejected. By the time the facts were established it was too late to include this name but the next year I revived the proposal and he was given the Padma Award. I strongly pushed the name of Madhav Gadkari, editor of the Marathi-language daily *Loksatta* published from Bombay. I also started a practice of directly consulting the chief secretaries of the states so that the names suggested by their state governments were not rejected because the persons were not known in Delhi.

The Bharat Ratna Award is decided by the prime minister and the president only, and is announced when both agree. Rajiv Gandhi wanted to award this posthumously to M.G. Ramachandran, who had been the chief minister of Tamil Nadu, because of his efforts to preserve India's unity against the background of the movement for an independent home for Tamils. But many in government as well as outside it viewed this as a political move by the Congress party. It was also felt that if a practice of giving posthumous awards was started we would be flooded with pressures on behalf of many leaders, both national and regional. Rajiv Gandhi did consult me and perhaps others too and ultimately the Bharat Ratna Award was conferred on Ramachandran. I also pleaded that we should recognize good public servants including managers of PSUs and financial institutions. I made two recommendations – one, R.D. Pradhan,



the home secretary in 1985–86 who had done a good job in working out the Punjab and Assam accords and Nadkarni, chairman of IDBI. Both were accepted by Rajiv Gandhi and I was happy that this category was included in the Padma Awards. One of my suggestions, however, could not be pushed through, of giving the Bharat Ratna posthumously to Dr Homi Bhabha who had put India firmly on the path of nuclear energy and allied nuclear programmes. I still think that he really deserves this national recognition.

For most of the planned schemes, construction forms a substantial part of investment. By using modern methods and proper monitoring mechanisms, thousands of crores of rupees can be saved. I sent a proposal to the Planning Commission for setting up a division for construction technology which would study these aspects and recommend measures to be taken by all ministries and departments. The idea was well received but as usual implementation was slow and the division was established after I left. The tender system followed by CPWD was substantially the same as in British days, that is, instead of a lumpsum contract an item rate contract that allowed the contractor scope to do inferior work, with the supervisory engineer being a party to this and making money as well. Making concrete and pouring it to form slabs and other construction items was another area where corruption was prevalent. Therefore, the chief engineer of the CPWD, Harishchandra, a highly committed and upright officer, readily agreed to make improvements in the tender system; done in stages, it produced very good results. A proposal was being examined to use coal ash from thermal stations in brick-making so that such waste material would be used and at the same time help prevent soil erosion. The usual answer of the engineers was that there was no proper technology available. But I insisted that the process be started and the tender form stipulate use only of bricks made with a prescribed percentage of coal ash. This is a standard practice in many countries. It was the same with the use of teakwood specified in the tender when it was known that it was not available. Frames for windows and doors and their panels and many other items can be manufactured with plastic or metal and I insisted that this too should be specified in the tender forms.

There were several Delhi-based projects in which I was involved with varying degrees of success. Many junior officers complained that they found it difficult to get their children admitted in Delhi schools when they were transferred here. This was a major disincentive for

officers to come on central deputation. They also wanted a club house of their own where they were not overshadowed by more affluent businessmen. The Delhi Gymkhana Club was originally a haven for civil servants but this characteristic gradually eroded. I asked the Delhi Development Authority (DDA) to locate a plot for a school. The school could be conducted by the Civil Servants' Education Society on its own or in collaboration with another well-established education society or trust like the Delhi Public School. However, to get a good concessional price for the land from the government could have created a controversy. Also there was a negative response from the PMO as some there felt that this would be labelled an elite school. So I soft-pedalled the proposal but did not give it up. As for the club house, the CPWD was asked to locate a building that could be rented. They found an old palace that was used for storing carpets and handicrafts. I asked them to prepare a proposal for giving this building on a reasonable rent for the civil servants club. Both proposals could not be finalized before I left the cabinet secretariat and unfortunately both my immediate successors did not take much interest in them.

Members of the Delhi Race Course Club knew about my interest in the Turf Club in Bombay and so invited me to see some of the races. Seeing the racecourse, the galleries and the stands, I was surprised that Delhi did not have better facilities and wondered why the British had not put up a finer racecourse ground for the capital city. It was difficult to get any more land there because it was surrounded by air force establishments and the historic Safdarjung Tomb. I told them to locate a suitable alternative site and I would certainly help them to get it. They found a stretch of land in the trans-Jamuna area that was suitable and I ascertained from the chief secretary of Delhi that this could be made available. I consulted Madhavrao Scindia whose reaction was favourable. However, it was generally felt that the distance of the proposed site from Old Delhi and New Delhi would not make it popular enough to make it viable and it was, therefore, not pursued. Another project, however, looked promising. Delhi needed another golf club somewhere in Diplomatic Enclave. There was a very large piece of land along the Gurgaon road lying in the funnel of the airport. Because of this situation no building could come up on the land but a golf course could be laid out there. I asked S.K. Mishra, secretary, civil aviation, to examine the proposal. Here I am tempted to repeat a story told to me about the grant of land for the existing Delhi Golf Club. The matter came before

the cabinet when Pandit Nehru was prime minister and Vishnu Sahai the cabinet secretary. It was discussed inconclusively and there was some opposition that the club would be only for the elite. However, the draft minutes sent by the cabinet secretary for approval said that the proposal had been cleared. Nehru questioned the cabinet secretary about this discrepancy and the latter is supposed to have said nonchalantly, 'But Sir, the draft minutes are correct as I thought that the cabinet should have cleared the proposal.'

# 16

## Some Important Events

### Maldives Operations

ON 3 NOVEMBER 1988 THE PRIME MINISTER CONVENED AN EMERGENCY meeting at 9 a.m. because of the Maldives crisis. Ronen Sen in the PMO told me that at about 4 o'clock that morning, some strong force had invaded the capital, Male, and taken over the presidential palace. President Gayoom had somehow managed to escape and had asked India for help. Later we came to know that there were about a hundred-odd mercenaries led by a Maldivian smuggler-cum-businessman, Abdullah Luthufi. They wanted to have a safe base for their lucrative drug and gun-running business.

Though the attackers had secured the presidential palace and the TV and radio stations, they blundered in not taking over the telephone exchange and the airport. The Maldives foreign minister Fathulla Jamil made an urgent call to Rajiv Gandhi at about 5.30 a.m. for help. Thus started Operation Cactus to rescue Maldives from the attackers. Ronen Sen said that the telephone lines were working throughout and he and Kuldip Sahdev, joint secretary in the external affairs ministry in charge of Maldives, were able to have lengthy conversations.

The prime minister's meeting was attended by ministers and the three service chiefs. It was decided that we should immediately send a strong force to help President Gayoom and I was asked to follow up and finalize the steps to be taken. General Sharma, the army chief, suggested that the army fly its para-brigade to Male and capture the airport to secure a staging base, but we were not too sure whether the

airport would be available to us by then. General Sharma said that the paratroopers could land in the surrounding area and then march up to the airport and take it. Rajiv Gandhi had to tell him that this was not possible as there were marshy lands around the airstrip and suggested that the general study the topography maps.

I convened a meeting in the cabinet secretariat. General Rodrigues, the army vice-chief, said that the paratroopers would assemble in Agra and be ready to take off by about noon. The air force was to arrange for the airlift of the para-brigade. In the meantime the Navy was asked to send its aircraft to take pictures of the airstrip. The prime minister called us again to make sure that the planes had taken off. But the army took more time than promised and the para-brigade could not be airlifted till about 3 p.m.

After refuelling, the planes landed in Male at about 9.30 p.m. By late afternoon, the attackers had come to know that Indian forces were being sent to Male and they were in a panic. They made no effort to take over the airport but they took twenty-seven hostages on board a ship that was beyond the range of the army's guns by the time the troops reached.

The ship, named *Progress Light*, was sighted by the naval aircraft early on 4 November. *INS Godavari*, which happened to be in that area, was asked to change its course and follow *Progress Light*. It made contact on the evening of 5 November and asked it to stop and surrender otherwise it would fire. When there was no response, *Godavari's* 57 mm and Betwa's 4.5" guns started firing but the attackers still continued their flight. When I reported this to Rajiv Gandhi in the evening, he was firm that the ship must be captured. He ordered that naval helicopters be used and anti-submarine depth charges dropped. When this was done the attackers panicked and finally decided to surrender.

There was an intriguing sideshow. Luthufi said that the men with him were given to him by the Peoples' Liberation Organization of Tamil Eelam whom we were backing in Sri Lanka. But this was only a diversionary tactic of his.

Operation Cactus enhanced India's prestige enormously and showed our efficiency and capability to mount a successful operation at short notice. There was universal acknowledgement of our role as a police force in the area. The Maldivians were grateful. They had acquired a sense of security and knew that in case of a real emergency, support would come quickly and effectively. We also acquired more

knowledge and familiarity with our neighbouring areas for tactical operations in case of need.

### Union Carbide Case

The Union Carbide tragedy in Bhopal caused by the leakage of methyl iso-cyanide (MIC) took place in December 1984 while I was union labour secretary and also chairman of the governing board of the ILO.

The number of confirmed deaths was 3,410. An estimated 10,000 suffered total permanent disability; about 30,000 partial permanent disability; and more than 100,000 were moderately injured. More than 300,000 were medically examined and documents prepared for them.

Apart from the human misery, the case also raised another important issue, viz., the liability of the company and especially if it is a subsidiary of a multinational company. In the case against Shriram Chemicals in Delhi, where a toxic leak had occurred, the Supreme Court's verdict was that the owner of hazardous unit was responsible if 'harm results to anyone on account of an accident' even if he was not responsible for the leak and that the amount of compensation would depend on the ability of the company to pay.

The majority shares of the Bhopal plant were held by Union Carbide. The management not only of the Bhopal factory but also that of the US-based Union Carbide Corporation was prosecuted. The Government of India issued an ordinance, later replaced by an act, which empowered it to look exclusively after the interests of the victims. This was, however, challenged in the Supreme Court. The victims' representatives feared that a settlement by the government would not give them enough compensation and may also include dropping of criminal cases against the management. In spite of the provisions of the act, they wanted the government to consult the action groups before a settlement was initiated.

In September 1988 the Supreme Court admitted cross-appeals by Union Carbide and the Government of India against a Madhya Pradesh High Court decision granting interim damages of Rs 250 crore. The government had set up a small informal group to deal with the case and I was associated with that. J.B. Kendal of the Indo-US Business Council met me about the amount of compensation. He said that Union Carbide had offered US \$350 million as settlement in March 1986 in a US court but this had been rejected by the government. But the offer was still

open. I said that Union Carbide should revise this base offer since more than two years had elapsed and add the interest amount. He came back to me saying that \$350 million could become about \$470 million at the beginning of 1989.

As the hearing in the Supreme Court was progressing, the informal group held a few meetings at the residence of P.V. Narasimha Rao, cabinet minister for human resource development. At one of these meetings I said that Union Carbide should increase its offer of \$470 million to at least \$600 million, which was mentioned in some negotiations in November 1987. To this Kendal said that I had changed my stand and was pressing for a steep increase of the figure of \$470 million. But I had indicated that this should be the starting figure for negotiations. Besides, in the discussions of the informal group, the question of dropping the case against criminal liability was never raised. I was also uneasy with Chief Justice Pathak's remark that both parties 'start with a clean slate'. All of us were therefore stunned when the five-member Supreme Court Bench presided over by the chief justice announced its decision on 14 February 1989. At about 2 p.m. the chief justice suddenly asked that the arguments be stopped and announced an order that Union Carbide should pay \$470 million as compensation to the victims and its Indian lawyer Fali Nariman and Attorney General K. Parasaran nodded their agreement. The court also set aside all present and future suits against Union Carbide including criminal proceedings. The court's thrust was that the 'enormity of human suffering and the pressing urgency to provide relief makes the case pre-eminently fit for a settlement'.

The Supreme Court judgement created a furore and there was acute criticism in the press and in Parliament. Former Chief Justice P.N. Bhagwati came down heavily against the judgement. Justice Venkataramiah announced in open court that he wanted to withdraw from the bench, and dissociated himself from the judgement. Chief Justice Pathak said that they were preparing a detailed order justifying the settlement, and that they would 'repair any error' if made. The Supreme Court also admitted a writ petition against the settlement order; reopened the matter dealing with the constitutionality of the Bhopal Act; and disbursements of the amount by the Union Carbide till these two matters were disposed of.

The matter is still not fully resolved. Distribution of the compensation has also run into troubled waters and there are innumerable complaints

from the victims that nobody is looking after them. The criminal liability of the management of Union Carbide is still lost in legal battles.

### The Fairfax Affair

Finance Minister V.P. Singh, with revenue secretary Vinod Pande and Director of Enforcement Bhure Lal started a campaign against industrialists for tax evasion from 1985. Many rumours floated in 1986 that the Enforcement Directorate had been after Reliance Industries. S. Gurumurthy, a chartered accountant who wrote frequently on economic matters in the *Indian Express*, in an article in September about Reliance Industries quoted extensively from government files. The finance minister denied that these papers were made available to him. Bhure Lal was reported to have advocated to V.P. Singh and Vinod Pande that the government should employ an agency in the US to investigate the transactions of Reliance Industries and other industrial houses. To start with V.P. Singh did not give permission but ultimately gave an oral clearance to engage Fairfax after Bhure Lal visited Washington in December 1986. All these facts are public knowledge and I will here refer only to the developments with which I was associated.

On 11 March 1987 I attended a meeting with Prime Minister Rajiv Gandhi and other ministers when Katre, director, CBI, produced a copy of a letter written by Gordon McKay of Fairfax to Gurumurthy that mentioned an enquiry regarding Swiss properties held by the Bachchans, who were close friends of the Gandhi family. The agency also said that Ram Nath Goenka, owner of the Indian Express group of newspapers, and Nusli Wadia, chairman of Bombay Dyeing and Manufacturing Company, had paid money abroad to the agency. The prime minister was visibly agitated and immediately ordered the transfer of Bhure Lal from the Enforcement Directorate and also transferred the directorate from the revenue department under Vinod Pande to the Department of Economic Affairs under Venkitaramanan.

Since *Indian Express* had played a prominent part in this affair, its guest house in New Delhi where Ram Nath Goenka stayed when he was in town was placed under constant observation of the CBI. On 13 March, the director, CBI, reported that Ram Nath Goenka was staying there and Nusli Wadia carrying a briefcase, had gone inside to see him. A servant had then come out of the guest house and was seen



burning some papers. Katre therefore sought immediate permission to raid the guest house so that important documents would not be burnt and thus lost to the CBI. I agreed and the raid was carried out promptly. This had a fallout completely unrelated to the Fairfax affair. The same morning the *Indian Express* had published the sensational contents of a letter that President Giani Zail Singh had written to the prime minister alleging that the latter had misled Parliament by stating that he had kept the president fully informed on all important matters. It was rumoured that the draft of this letter had been given to the president by Mulgaokar, editor of the *Indian Express*. By pure chance Katre found this letter and the press proclaimed next day that the raids were carried out to recover the draft, which was not true as we were not even aware then that there was such a draft letter. P. Chidambaram, minister of state in the department of personnel, called Katre and asked why his permission had not been taken when an important person like Goenka was involved. Katre said he had received the cabinet secretary's clearance. I explained to Rajiv Gandhi why I had given the permission and apparently he was satisfied with the reasons.

Bhure Lal had taken oral permission from V.P. Singh to employ Fairfax and I asked Vinod Pande for the file in which this permission was recorded. Vinod Pande said he had given the file directly to V.P. Singh, who had by then become defence minister, for recording this permission in writing. At the time the prime minister was also the finance minister and Brahma Dutta was minister of state but the latter expressed his ignorance of the matter. Rajiv Gandhi asked me to enquire into this, so I asked Vinod Pande why this file had not been routed, as prescribed, through the minister in charge of the parent ministry, that is, through Brahma Dutta, but he had no explanation. Rajiv Gandhi ordered his transfer, and he was subsequently shifted to the department of rural development.

The government appointed the Thakkar-Natarajan Commission to enquire into the case of employing Fairfax, which hired ex-employees of the CIA, and if national security was compromised. The commission submitted its report in September and it was discussed in Parliament from 9 September onwards. It was a damp squib, exposing only the government's vindictiveness against V.P. Singh, Vinod Pande and Bhure Lal.

The entire cabinet became hostile to Vinod Pande from then on. At one cabinet meeting when a proposal of the rural development department was being discussed, some ministers asked him rather rude

questions and openly berated him. Pande, however, remained calm and quietly said that if the government was not satisfied with his work he was prepared to go back to his parent state, Rajasthan.

Bhure Lal was also perturbed and depressed by the inquiries against him, but I told him that I would ensure that he was given fair treatment and full opportunity to defend himself.

### HDW Submarine Case

In December 1981 we had contracted to purchase four submarines from the HDW Shipyard at Kiel in West Germany. Two of them were to be built in Kiel and two in Bombay. In 1987 the government was negotiating a follow-up deal to buy two more of the same type of submarines.

In the first week of April 1987, the defence ministry was informed by our Ambassador in West Germany that the shipyard was finding it difficult to reduce the price of the two submarines which we wanted since 7 per cent commission had to be paid to the agent who had been involved in the original purchase in 1981 and whose contract with the shipyard was still in force. The defence minister, V.P. Singh, seriously objected to this arrangement as by that time Rajiv Gandhi had already decided that there should be no commission agent involved in defence purchases. V.P. Singh also thought that payment of commission in 1981 would attract provisions in our income tax laws and foreign exchange regulations. He sent a note accordingly to the prime minister but at the same time ordered an inquiry and had a press note issued. This naturally led to a public outcry especially when Parliament was in session.

V.P. Singh's action in giving publicity to the whole affair was not proper as payment of commission for defence purchases was not banned in 1981. If there was any question of tax avoidance or breach of foreign exchange regulations, it should have been referred to the finance minister, who incidentally happened to be the prime minister at that time. It was generally believed that V.P. Singh wanted to settle scores with the prime minister who had made him leave the ministry of finance. He resigned as defence minister on 12 April 1987 and was replaced by K.C. Pant.

Our ambassador in West Germany came to brief us. The defence ministry in West Germany had issued guidelines to its various defence suppliers about how much commission they would have to pass on to high officials and politicians in the countries in which they wanted to

sell their products. India was placed in the middle category where, it was said, that 5 to 10 per cent commission may be asked for and have to be given if the sale was to be finalized. Though the Kiel shipyard was a public sector undertaking the German government was not willing to ask it to disclose the name of the commission agents, not only because of commercial confidentiality but also as no agent would be prepared to work for it for fear of disclosure in such a situation. Further, it was a common practice in defence deals to pass on bribes to politicians and bureaucrats in that country and one of the best ways of doing this was to pay commission to the agent who would then pass on the requisite amount to them.

From the very beginning the name of the Hindujas was associated with this affair by defence ministry officials.

The inquiry dragged on for a year, at the end of which Defence Minister K.C. Pant announced in Parliament that the allegations had been found to have no basis. This event went unnoticed because by that time a far more serious scandal, viz., the Bofors affair, was raging.

It was but natural for this matter to be reopened when the V.P. Singh government took over in December 1989. During a fresh enquiry it came to light that the competing claims of the Kockum Shipyard in Sweden were not properly evaluated. It was also noticed that some remarks made in the coded telegrams received in the defence ministry were covered over apparently to hide the fact of the visit of certain representatives of the HDW Shipyard in 1986-87.

A draft FIR was put up implicating the defence ministry officials concerned at that time. Naresh Chandra, the defence secretary in 1990, consciously kept himself aloof from this as S.K. Bhatnagar, the defence secretary in 1986-87 was a close relation of his and was mentioned in the FIR as also S.S. Siddhu who was in charge of the department of defence production in 1981. The admiral who dealt with the matter was not mentioned in the draft and I insisted that his name also be included which was then done.

I remember Arun Nehru telling me that Indira Gandhi was very annoyed with the agent involved in this deal as he did not pass on the promised amount from the commission to the Congress party and she refused to see him on her next visit to the UK.

# 17

## Principal Secretary in the Prime Minister's Office

### I Leave the Cabinet Secretariat

**I**N EARLY 1989 I DECIDED I WOULD GO BACK TO BOMBAY WHEN I RETIRED in September that year. Rajiv Gandhi, however, wanted me to take an extension for six months as the general elections were due in 1989-90. I regretted on principle, that a cabinet secretary should not get any extension. A little later on a flight back from Bombay he called me to his cabin and quietly said that, 'I have decided to take you as principal secretary in the Prime Minister's Office' (PMO). I was taken aback. He said, 'Don't look so shell-shocked. It is not a bad job and I am sure you will enjoy it.' He also mentioned Seshan as my successor. I discussed this with my family and accepted. I suggested Roma Majumdar as my successor as she was not only a very good officer but also senior to Seshan by one year, and it would be a good gesture because the prime minister had made it a point to press for women's progress. Rajiv Gandhi's reaction was simple and firm. He said, 'I want a cabinet secretary personally loyal to me as we are having general elections within a year. I therefore want Seshan to be your successor.'

In retrospect I feel quite satisfied that I fulfilled Rajiv Gandhi's expectations not only reviving the true and proper role of a cabinet secretary but also a cabinet secretariat that was well established and well respected. The cabinet secretary was now seen as a father figure in the civil service, both by the IAS and other all-India and central services which were assured that they would have proper representation in the

senior positions at the centre. Similarly, the defence services and especially the three chiefs of staff became aware of the importance of the cabinet secretary in their own affairs and accepted his leadership.

The cabinet secretary does not have any executive department under him as such but his strength and authority lie in coordinating the activities of the whole government. He may be the first among equals yet he is also accepted as a leader of the team as he is an adviser to the cabinet and the prime minister. I established and followed the practice whereby at discussions and meetings of the committees of secretaries everyone had their say and the ministry's view was also presented and a consensus then evolved. In this way various difficulties were sorted out and policy decisions were discussed and finalized. Of course, the decision was processed by the concerned ministry but then its implementation was ensured and strengthened because of prior consensus. I went a step further and indicated that if the ministry concerned found this difficult the cabinet secretariat could float its own note to the cabinet to implement it. This created a sense of trust and confidence amongst my colleagues in our integrity and impartiality. In fact they relied on us to sort out various interministerial difficulties too. Their participation and support became readily available. The cabinet secretariat itself initiated debate on new policies and new projects in a proactive way. I was happy that I had been able to inculcate a healthy team spirit in the working of government without encroaching upon anyone's authority or forcing anyone against his will. Ministers too came to acknowledge this new role of the cabinet secretariat.

I made it known to my senior colleagues that if they had any difficulty in transacting business with their ministers or faced any unnecessary or undue interference from them they should inform me; in many cases I asked the prime minister to intervene with the minister concerned. I also established a close rapport with the chief secretaries of the state governments and was able to sort out their difficulties with ministries at the centre.

My efforts received some left-handed compliments if not critical observations. *India Today* on 31 May 1988 observed that 'the cabinet secretariat has emerged as the most powerful arm of the government which is capable of delivering a knockout punch to any rival or competing organization within the country. It has also emerged as the key governmental department through which the PM wields his power and is able to bypass, even overrule, his ministerial colleagues without

proper consultation . . . In the absence of any check in this functioning there is every possibility that the growing power of the Secretariat will undermine the fundamental principle of collective responsibility of the cabinet.' Nothing could have been farther from the truth.

The cabinet secretary has to maintain a delicate balance between the political executive and the permanent bureaucracy. As chief adviser to the cabinet and the prime minister, he has to tackle delicate quasi-political issues with impartiality between the opposition parties and the ruling party. Unfortunately, two of my immediate successors fell prey to this temptation and caused immense damage to the institution of cabinet secretary. When I left the cabinet secretariat, I had spent almost forty years in government. I left with the reputation of, I hope, having been an upright, honest and good civil servant.

### **Principal Secretary in the Prime Minister's Office**

I joined the Prime Minister's Office in March 1989. My successor as cabinet secretary was T.N. Seshan. There were other major changes in the top bureaucracy: Naresh Chandra replaced Seshan as defence secretary, Gopi Arora became finance secretary on Venkitaraman's retirement and Sarla Grewal was appointed governor of Madhya Pradesh.

I was fully conversant with the set-up of the PMO and had established a close rapport with the senior officers there like Montek Singh Ahluwalia, Ronen Sen, Vasudevan, Parthasarthy and others. Of course Mani Shankar Aiyar was in a class by himself but I knew how to handle him. I took my private secretary, Parmar, with me which helped in the smooth change-over. R.K. Dhawan had also joined as officer on special duty (OSD) in March 1989 but he dealt mostly with political matters and the files given to him by the prime minister. Sheila Dixit, minister of state, behaved not as a politician but as an integral part of the bureaucratic structure of the PMO, without being a bureaucrat in the true sense of the term.

By March 1989 the political scene was warming up with the opposition National Front becoming more aggressive. Our work at the PMO was overshadowed and influenced by these developments. I had also to deal with the Bofors issue but I have written about this separately.

Though agricultural production was good, we had to take special measures to maintain the prices of essential commodities and put in place a regular monitoring mechanism. Sugar had always been a

sensitive commodity and we advised the food and supplies ministry to take option purchases for sugar. The agriculture department, however, was still projecting a good season for sugar production and was reluctant to do so. Unfortunately its estimate turned out to be off the mark and the civil supplies department had to undertake emergency and frantic measures to purchase sugar even on the basis of high sea purchases. We heard that there were many irregularities in these transactions and I had to say at a cabinet meeting that this might create another scam.

I visited Amethi, Rajiv Gandhi's constituency, to get a feel of the popular mood and was happy to find that people there regarded him with affection and loyalty. Sanjay Singh was opposing him but was not a serious challenge. Local workers, however, complained that Satish Sharma was unnecessarily harsh with them as he wanted to ensure that Rajiv Gandhi's margin of victory would be the same as before in spite of Sanjay Singh's challenge. They specifically wanted me to convey this to Rajiv Gandhi which I did.

Price decontrol of cement had been a great success and I wanted to continue this process by decontrolling steel and steel products. I persuaded M.L. Fotedar to agree but there was no favourable response at the CCEA as it thought this might lead to a rise in prices, which we could not afford in an election year. I was later told that this was advocated by R.K. Dhawan. In fact, Fotedar often complained to me about Dhawan's undue interference in political matters and I had to speak to Rajiv Gandhi about it.

The foreign exchange position had started casting its dark shadow on the economic horizon. We had extensive in-house discussions in the PMO and a working discussion paper was produced by Montek Singh Ahluwalia advocating certain major policy shifts to face the emerging challenges. This did mean a new path towards deregulation and liberalization but we all thought that this was inevitable. Rajiv Gandhi fully appreciated the implications and the need for a change but was not ready to implement major policy shifts because of the elections, and indicated that we could examine this after the elections.

As labour secretary I travelled very frequently to Europe by Air-India. I was intrigued by a news item that air hostesses were still receiving an unfair deal from the company and could not fly after the age of forty-five unlike their male colleagues who could continue till the age of fifty-eight. During a flight to Geneva, one of the air hostesses complained to me of gender discrimination being practised against women and said that

I should take note of it as India was a party to the ILO convention on equal treatment of both sexes. I found merit in this case and asked my office to look into it. I asked a group of them who came to my office why their labour union was not taking up the issue with us. They said that since their male colleagues were not interested in this the labour union was not getting involved. Apparently nothing happened afterwards and I again became aware of this when I joined the PMO and took an Air-India flight, and heard the same old story. I was convinced that this discrimination was not only unfair but also unethical. I told the civil aviation secretary that subject to a strict regimen of size, weight and movement, age should not be held against air hostesses after they turned forty-five especially when potbellied, fat and slow male members of the cabin crew could fly till they were fifty-eight. And if an air hostess did not comply with this regimen, she could be given a ground job like her male colleagues. He protested saying that this might affect Air-India's image as compared to foreign airlines. I said that travellers wanted air hostesses to give quick and courteous service and were not necessarily concerned with their looks. Air-India's image was affected mostly because of lack of poor punctuality, frequent delays and cancellations of flights. I overruled him and asked him to process the case but the management somehow succeeded in delaying the matter further. Eventually they had to go to court and only recently got a decision in their favour.

In June, Rajiv Gandhi gave me permission to pay a visit to the US, Canada and the UK. The Ministry of External Affairs was not very happy about it but gave its full support to the visit nevertheless. At Los Angeles I attended a conference of physicians and surgeons of Indian origin who were happy that the Indian prime minister's representative was present. They suggested that they should be given a long-duration multi-entry visa to avoid frequent trips to the consulate. I agreed that they should be encouraged to visit India more frequently. Of course there was a security angle, more so in the light of extremist Sikh elements, but then the Intelligence Bureau should maintain a blacklist of persons who should not be given such liberalized visas. Another complaint was a curious one. The consulate did not accept credit cards or personal cheques but insisted on bankers' cheques or hard cash to avoid loss of revenue in the event that cheques bounced or credit card billing was not honoured. I said in this unlikely event we could cancel the passport and that that would be deterrent enough. Both these grievances were sorted out on my return.



In Washington I met a large cross-section of influential Americans. I explained to General Brent Scowcroft, national security adviser, that India had always wanted Pakistan to be a prosperous and stable neighbour, as we ourselves had many economic problems and were not interested in creating trouble for Pakistan but wished to be left alone to pursue our economic and social goals. He said that the general impression was that we were acting as a big brother to Nepal. I explained the background to the dispute, deliberately misrepresented by Nepal, and apprised him of our proposals to the Nepalese authority. In Sri Lanka the Americans thought that we were refusing to withdraw the IPKF. However, President Premadasa's demand for speedier withdrawal was really because of purely internal domestic compulsions, while we needed time for an orderly and gradual withdrawal of such a large force with its heavy equipment. As for the missile Agni, I explained that this was indigenously developed and we had never treated it as a weapon of aggression for attacking any of our neighbours in the past. General Scowcroft was happy to learn that a hotline had been established between the directors of military operations of India and Pakistan and hoped that this was being used.

I met Ambassador Carla Hills, US trade representative, and explained that we would not negotiate with the US government under threat of the Super 301 provision but would make our position clear at the ensuing special session of GATT. We were one of the three countries hit by it on two counts: our foreign investment regulations, and closure of the insurance markets in India to foreign insurance companies. I found her highly opinionated and rather aggressive. On the other hand Eagleburger, deputy secretary in the state department, was very charming and when we discussed Nepal, he jokingly said, 'Mr Deshmukh, now you would appreciate why we are not liked by our neighbours even though we try to be nice to them.' David Mulford, under secretary in the treasury department, was a typical overbearing American and tried to preach to me how India should conduct its financial matters and economic policies but Paul D. Wolfowitz, under secretary, defence, was very understanding and sympathetic. I explained to him about the development of Agni and also our apprehensions about the supply of F-16 fighters to Pakistan and its plans for development of nuclear arms.

I had detailed discussions with Democrat Congressman Stephen Solarz, a good friend of India, and met Jack Welch, CEO of General

Electric who was supposed to be close to President Ronald Reagan. I had tea on Capitol Hill with a group of representatives, some of whom thought we were heavily influenced by the Russians and even enquired of me how many of our ministries had Russian advisers. Our ambassador, P.K. Kaul, was of great help in all my activities and so also Ronen Sen and Kuldip Sahdev.

I met Professor Kenneth Galbraith who was nostalgic about his days in India but said frankly that India had been left with very few friends in academic circles in the US. There used to be a strong lobby for India on account of a close exchange and interrelationship between the academics and the federal government but American scholars were finding it difficult to get visas to carry on studies and projects in India. I promised to help. On my return the home ministry said that IB clearance was slow and time-consuming while the director, IB, said that it was because some American scholars were funded by the CIA. I told him that the IB should not generalize but expedite clearance. I was later told that the clearances were becoming quicker.

The visit included a short trip to Canada as the Canadian cabinet secretary had met me in Delhi. He arranged a dinner where I met senior Canadian bureaucrats and I thought that the Indian cabinet secretary should arrange to be in touch with as many commonwealth cabinet secretaries as possible.

In London on my way back I met Sir Robin Butler, cabinet secretary. We discussed the bureaucratic system in India which was fashioned on the British pattern though it had evolved according to the national needs and ethos. He was intrigued to hear that on the advice of Lord Mountbatten, our first Prime Minister Jawaharlal Nehru did not combine the posts of cabinet secretary and secretary to the prime minister. There was a curious similarity between us as we had both served on the personal staff of the prime minister and had also been cabinet secretaries. He had been private secretary to both Conservative and Labour prime ministers, Edward Heath, Harold Wilson and Margaret Thatcher. I did not know then that I would be serving three prime ministers, Rajiv Gandhi, V.P. Singh and Chandrashekhar. He appeared to be a friend of India having visited the country about ten times and was fond of mountain climbing. I also visited the head of the prime minister's policy unit at 10 Downing Street and had a fruitful discussion on how the needs of a prime minister can be serviced by an independent policy unit.

I was pleased with my visit and gave a first-hand briefing to the prime minister and exchanged information and views with the foreign secretary and his colleagues. Because of my foray in external affairs Rajiv Gandhi sent me in July as his personal emissary to Sri Lanka, referred to in a separate chapter.

On my return I immediately left for Islamabad to join the prime minister who was stopping there on his way back from Paris. There was a joke on this circuitous route at the official dinner in his honour: 'The Indian prime minister should be told that there is a shorter and direct route between Delhi and Islamabad.' Rajiv Gandhi called on President Ghulam Ishaque Khan who assumed a haughty posture and started lecturing Rajiv Gandhi on the latter's hegemonistic attitude towards his neighbours, especially Pakistan, and said that if he persisted in this, the results would not be fortunate. All of us were taken aback and Prime Minister Benazir Bhutto, who was present there, looked very uncomfortable. But Rajiv Gandhi kept his cool and made it obvious that he thought the Pakistani president had lost touch with the current realities.

At home, the handling of the staff strike in August was a disaster. According to Seshan's standards it was firmly handled but in fact it was ham-handed and unnecessarily harsh. I told Rajiv Gandhi in clear terms that this would cost dearly in Delhi and other urban centres in north India when the general elections took place in a couple of months time, and it did.

Though I did not want the PMO to get involved in purely political matters, this became unavoidable as the political scene started heating up from mid-1989. The National Front which included almost all the opposition parties became very aggressive. Unfortunately, Rajiv Gandhi had taken all of them head-on. Curiously, the Congress played the soft communalism card when it became clear that it could not outdo the BJP in getting the Hindu vote bank and at the same time was sure to lose the minority vote, particularly the Muslim vote. However, it seems that Rajiv Gandhi's political aides had chalked out a strategy from the beginning for capturing the Hindu vote to hedge their chances against the combined opposition. This opposition and in particular the leftist parties openly opposed the BJP and its political philosophy. Perhaps the Congress had thought of trying for this vote. In fact this trend had started even before Rajiv Gandhi came on the scene, from the days of Sanjay Gandhi, and Indira Gandhi did not want to reverse it. The passive

acquiescence of the Congress in early 1986 with the opening of the locks of the Babri Masjid for worship of Hindu gods was the real beginning of the Congress march on this path; and when the BJP noticed this it proceeded to vigorously pursue its own agenda. It was not possible for the Congress to outdo the BJP in this regard.

N.D. Tiwari, chief minister of Uttar Pradesh, met me at the PMO after he had seen the prime minister. His argument was that the Babri Masjid issue should be treated as a purely local issue and left to the Uttar Pradesh government to sort out instead of the union home minister taking charge of it and giving it a high national profile. There was an intelligence report that the local Shia community was quite prepared to build a masjid at another site and give the original spot to the local Hindus to build a Ram temple because the masjid was not being used for *namaz* and the Muslims wanted to live in peace and goodwill with their Hindu brethren. Sadly, neither the Hindu nor the Muslim political parties wanted to give up such a promising political issue for exploiting their vote banks in any election, especially at the national level. The movement, therefore, spread to many other states. N.D. Tiwari suggested that the general elections be held much earlier than the *shilanyas*, preferably in April or May, so that the *shilanyas* issue would not be in the forefront at election time. Rajiv Gandhi and his aides did not agree, perhaps hoping for a split in the National Front which was likely as the communists were openly saying that they would not support an alliance of the Janata Dal and the BJP. The Congress was also hoping that by permitting *shilanyas*, it would claim a large section of the Hindu vote bank. The chief secretary, Uttar Pradesh, was specifically asked to carve out a plot of land in the undisputed portion but as near the disputed area as possible for the *shilanyas*. The visit of the union home minister to the Hindu holy man, Devraha Baba, was shameful. I showed Rajiv Gandhi a photograph of the minister being blessed by the Baba who had his foot on the minister's bowed head. Rajiv just shrugged his shoulders.

Earlier with the prime minister's permission I had an informal meeting with top BJP politicians, Bhaurao Devas, L.K. Advani and Professor Rajendra Singh, at the house of Appa Ghatate. I tried to persuade them to wait for a court decision before taking any further step but they argued that the Congress government may set it aside in case the decision was in their favour as it had in the Shah Bano case. I said that even if the decision went in their favour the court was not going to say that the masjid should be demolished and the temple

erected instead. Any consequential action would have to be again taken with the consent of all the parties. I reported my discussion to Rajiv Gandhi, but he was persuaded to permit the *shilanyas*. Though he refused to be present on the occasion, an impression was created that the Congress was fully behind the *shilanyas* ceremony.

To maintain the chronology of events, when the Panchayati Raj and Nagarpalika Bill was defeated in the Rajya Sabha on 13 October, I met Rajiv Gandhi and said that this was a good opportunity for going to the people to get a clear mandate for the introduction of a real panchayati raj and local self-government like municipalities. His reaction was not positive. However, his hand must have been forced by events. There was an apprehension that some damaging disclosures in the Bofors affairs were likely to surface. Further in spite of a good monsoon and a record agricultural crop the price situation was causing anxiety, especially the price of sugar. And of course adoption of soft communalism had started becoming counterproductive as this was the BJP's turf and it could always outsmart the Congress in this.

To take care of a rather difficult chief election commissioner, Peri Shastri, the government suddenly appointed two additional election commissioners who had the full confidence of the government. On 16 October a cabinet meeting decided that elections should be held in the third week of November, that is, on 22, 24 and 26 November. Seshan as cabinet secretary should have conveyed the decision to Peri Shastri but Rajiv Gandhi said, 'Let us not send the bull into the china shop. Let Deshmukh go and settle it in his own quiet way.' Peri Shastri was agitated at being dictated to by the government in fixing the dates for the elections. There was a sharp exchange between us and tempers rose. After he had blown off steam and quietened down I convinced him that the government was right in suggesting the dates as it had to make various administrative arrangements. Ultimately, he issued a notification for elections as suggested by the government.

I set up an informal group in the PMO to watch the progress of the election campaign and we met regularly. As apprehended by us the Bofors affair did blow up. A number of pages from Ardbo's diary were published by some prominent newspapers alleging that there was a Gandhi Trust. We immediately issued a statement that Rajiv Gandhi was not associated with, or even aware of, any such trust and that he had never authorized any lawyer or any representative to meet any representative of any company concerned with Bofors.

We kept a close watch on the National Front when elections to state assemblies including Uttar Pradesh were announced to take place simultaneously with the general elections. The Congress hoped that this would create friction and factions in National Front.

The Congress campaign started from Faizabad, the district headquarters of Ayodhya, and Rajiv Gandhi proclaimed that only the Congress could re-establish 'Ram Rajya'. Our assessment in the informal group was not very optimistic for the Congress. But I was quite confident that it would get about 350 seats in the Lok Sabha while other members warned me not to give such high figures and estimates to Rajiv Gandhi. As the days passed I had to reduce my estimate but even then I could not come below 250. At one meeting there was a general consensus that Congress would barely get 200 seats. Everybody wanted me to go and brief Rajiv Gandhi and advise him to make some dramatic announcement to win back the Muslim vote as the Muslim alienation would cost him very dearly in north India, especially as the expectation of getting a sizeable Hindu vote was not materializing because of BJP's aggressive campaign. Even otherwise, the National Front was still united and the campaign against Rajiv Gandhi personally in the Bofors case was creating waves in the Hindi-speaking areas. Rajiv Gandhi at that time was campaigning in West Bengal. I flew down to meet him and waited for him at the airport where I met the governor of West Bengal, Rajeshwar Rao. He had been director, IB, and his frank estimate was that the Congress would find it difficult to cross 200 seats. I travelled back with Rajiv Gandhi to Bareilly and argued with him that at his election meeting he should at least say that, 'Under no circumstances would the Babri Masjid be demolished,' but he did not agree. The 1991 election manifesto stated that, 'Congress is for the construction of the temple without dismantling the mosque' but by then it was too late. I returned to Delhi thoroughly dejected.

After the elections were announced Rajiv Gandhi was very proper in disposing of official business. We did not put up any appointments committee files to him including appointment of judges. In fact he instructed us not to process any important or policy matter at all. I had also to go across to the president to brief him as the post of secretary to the president was vacant.

After the elections were over and the counting was to start there was a strange incident. Doordarshan had as usual arranged for coverage by Prannoy Roy and his colleagues from the first evening onwards.

Suddenly that afternoon, Murari, the information and broadcasting secretary called me at home in an agitated mood because Vincent George, the private secretary to the prime minister, had instructed him to cancel this programme as desired by the prime minister. Obviously the Congress had not done well in the polls and Rajiv Gandhi had been influenced not to have any Doordarshan coverage to highlight this. I was taken aback but told Murari not to take any action and meet me at the prime minister's residence at 7 Race Course Road. I spoke to Rajiv Gandhi giving my frank opinion that his directions should be withdrawn. He told me to consult H.K.L. Bhagat, but I said this was not necessary as *prima facie* cancellation of this programme would create a stinker of a row and would be counter-productive. He then said that I should decide and take action. I told Murari to go ahead with the programme and also sent a message to Suman Dubey who was then his additional secretary.

It soon became clear that no single party had gained an absolute majority to form the government on its own. The last tally was Congress – 193; Janata Dal – 141; the Bharatiya Janata Party – 88; and the Communists and other leftists – 51 were supporting the Janata Dal. Some influential ministers and aides tried to persuade Rajiv Gandhi to stake a claim to form the government as the single largest party and one of them even requested the president to invite him to form the government. But Rajiv Gandhi was firm and his argument was simple and honest: The voter had not given him the majority necessary and he would not, therefore, stake a claim to form the government. He would also not canvass for support from other parties for this purpose as there was no pre-election understanding on this subject. I met the president regularly to brief him and he was fully aware of these developments. He told me that the cabinet should urgently pass a resolution recommending to the president to dissolve the Lok Sabha. He was aware, and so was I, that the same ministers and aides around Rajiv Gandhi were advising him not to do so as the Lok Sabha still had some life left till next January. But Rajiv Gandhi was too decent a person to accept this argument, as according to him a new Lok Sabha had been elected that would automatically mean dissolution of the old one. The cabinet decided accordingly and sent the resolution to the president.

The cabinet meeting also discussed the prime minister's farewell address to the nation on television. Most of the ministers suggested that

this should include what his government had done for the country and its people but I said if the address was more than ten minutes the people would lose interest and the focus and punch would be lost. Rajiv Gandhi agreed with this and the thrust of his address was, 'The people have given their verdict. In all humility we accept their verdict . . . A new government will be formed, we extend to them our good wishes and offer them our constructive cooperation.' Congress 'would re-dedicate itself to the cause of India's greatness . . . The basic pillars of our nation – democracy, socialism, secularism and non-alignment would be maintained.' This was truly dignified and reminded us of Indira Gandhi's address when she resigned as prime minister in 1977.

I went with Rajiv Gandhi when he called on the president to formally tender his resignation and was really touched when he said that 'I would have to look after Deshmukh also.' While taking his leave formally I said: 'You are sure to come back.' He just squeezed my shoulder and left. At his farewell tea party for the staff members of the PMO and senior officers from ministries, he was a gracious host and mingled freely, informally and affectionately. There was no bitterness at all in him. He had accepted the defeat gracefully and graciously.



# 18

## What I Knew About Bofors

*I* WAS NOT INVOLVED WITH THE PURCHASE OF THE BOFORS GUN AS THE deal was finalized in March 1986 before I came back to Delhi as cabinet secretary in August–September 1986. From then on, I had a vantage view when it came before the cabinet or the Cabinet Committee on Political Affairs. It was being primarily dealt with in the ministry of Defence and mostly in the Prime Minister's Office. I dealt with it directly only from March 1989, when I became principal secretary to the prime minister, till I left service in December 1990.

The genesis of the Bofors affair lies in the practice initiated by Indira Gandhi and further refined by her son Sanjay for collecting funds for the Congress party. No doubt the Congress party and other political parties in India have needed funds mostly to fight elections from 1947 when the country became independent. Till the middle of the 1960s, during the regime of Pandit Jawaharlal Nehru, collection of funds for the party was a more transparent business and business houses were also permitted to make open donations. Collection of funds for one's party was then not a highly competitive and corrosive practice corrupting the whole social, economic and political fabric as happened later. Indira Gandhi at the very beginning of her tenure as prime minister found that she was in dire need of funds to fight elections to establish herself as the undisputed leader of the Congress party. As I was then in Maharashtra I know that in that state she depended heavily on her loyal supporters Rajni Patel and Vasantrao Naik to raise funds and they did this by literally selling sheets of sea water in the Nariman Point area. Later, when she had established her supremacy in Indian politics, she

decided that a far better way to collect funds for the party was through claiming cuts from foreign deals. Sanjay Gandhi perfected and refined this still further from 1972 onwards. When she came back to power in 1980, I was additional secretary in the Ministry of Home Affairs. My colleagues told me that in January 1980 itself Sanjay Gandhi called senior officers from certain concerned ministries for giving orders and making deals and clearly and firmly told them how they should be finalized. Trusted senior officers were posted to ministries such as the defence ministry and also to the Department of Defence Production. Even the death of Sanjay Gandhi in mid-1980 did not change this practice as is evident from the following extracts.

B.K. Nehru writes (page 582 of his autobiography):

*The day after the funeral I asked Rajiv whether the money Sanjay had collected allegedly for the Congress was safe. He said all they found in the almirah of the Congress office was Rs 20 lakhs. I asked how much Sanjay had collected. He held his head in his hands and said 'crores and uncounted crores'.*

R. Venkatraman, former president of India writes (page 40 of his autobiography):

*J.R.D. Tata made a courtesy call on me . . . commenting on Rajiv's statement on Bofors . . . it would be difficult to deny the receipt of commission by the Congress Party. He felt that since 1980 industrialists had not been approached for political contributions and that the general feeling amongst them was that the Party was financed by commission on deals.*

I might also add that the practice of getting kickbacks earned us notoriety in foreign countries. In the HDW submarine case I was told that the West German defence ministry had intimated to the German defence supplier the amount of commission that would be required to be paid in selling the defence equipment. The Latin American and African countries were in the bracket of 10 per cent and above whereas we were placed in the bracket of 5 to 10 per cent. Incidentally, this clearly shows how cynical developed countries are in selling their defence products. Of course, they are also not entirely innocent as is evident from the scandal of US aircraft manufacturers trying to offer bribes to a member of the royalty from the Benelux countries.

That the Prime Minister's House (of Rajiv Gandhi) had access to funds from abroad, I became aware of in a very curious way. After Arun Singh was shifted from the PMO to the Ministry of Defence, the cabinet secretary supervised the prime minister's special security force in a rather loose fashion and I became associated with this. Sometime in October 1986 one of the security officers at 7 Race Course Road said that two or three of them would be going to Italy within a couple of weeks for special training. I was rather upset as I had neither seen nor cleared that proposal but Rajiv Gandhi said that this had been arranged by the Prime Minister's House and 'the Party would bear the expenses'. I was not at all happy as the security force was not for Rajiv Gandhi but for the prime minister of India and, therefore, arrangements for training and its expenses should be borne by the government. Rajiv Gandhi agreed and asked my advice. I said that the training could be in Italy as already arranged but that the funds should be made available by the Intelligence Bureau, and to maintain secrecy I would speak to the comptroller and auditor general to accept whatever explanation was given by the Intelligence Bureau. When I met him again he said that the Intelligence Bureau should not bear the expenditure as it was not at all a happy situation that the prime minister's security arrangements had been taken away from it. I suggested that I would ask RAW to bear the expenditure from its secret funds. Rajiv Gandhi said that I should discuss and resolve this matter with Captain Satish Sharma. Satish Sharma said that Joshi, director of RAW, could speak to a certain Italian, whom he named, and settle the details. When I asked who he was, he had a hearty laugh and said that Joshi would know him. Joshi was more diplomatic and said that it might have escaped my memory that this person was Rajiv Gandhi's in-law. Joshi came to me after a week with a curious follow-up report. When his Geneva office asked the Italian gentleman to make arrangements to pick up the amount in US dollars he said that Joshi himself should make arrangements to bring the amount in Italian currency and deliver it in Italy. Joshi was not at all happy with this as it would entail carrying about a quarter of a million US dollars in Italian currency in a big suitcase, which was sure to invite trouble. I told Joshi that I would clarify this. I told Rajiv Gandhi that the arrangement suggested was not acceptable, specially because the amount asked for was so large. He flushed and told me to forget the whole affair. Later I learnt that the Prime Minister's House was asked to be more discreet with me. The security officers were not sent to Italy

for training but an Italian expert came to India (of course he became rather unpopular with the security force for he would throw his weight around). I also realized that in the Mughal-darbar-like functioning of the Gandhis I had committed the cardinal sin of cross-checking with the king himself the message he conveyed to me through his aides.

Coming back to the Bofors affair, V.P. Singh had resigned as defence minister on 12 April 1987 in connection with the HDW Submarine case. We were just recovering from this when the Bofors revelation exploded upon the scene from Sweden on 17 April. The newspapers, quoting Reuters, said the Swedish radio had broadcast that Bofors won the US\$ 1.3 billion howitzer contract by paying bribes to senior Indian politicians and key defence officials through secret Swiss bank accounts. The Cabinet Committee on Political Affairs met that morning and issued an official statement calling the story 'false, baseless and mischievous'. We also asked our ambassador in Sweden to get from the broadcasting office the basis of the story. There was a debate in Parliament on 20 April wherein opposition demanded a parliamentary probe which was rejected by the government. We clearly stated that the howitzer was chosen after careful evaluation and that it was government policy not to have any agent in defence contracts and this had been made clear to the competing firms.

President Zail Singh created a side-show at this state when on 30 April he sent a letter to the prime minister seeking information about the Bofors deal under Article 78 of the Constitution. He was obviously trying to fish in troubled waters and was politely told that the defence minister, K.C. Pant had briefed him adequately. There was much discussion on the subject in the CCPA and we all thought that the president's request had been motivated by extra-constitutional considerations.

There was a complete change of the picture after the Swedish Audit Bureau started an inquiry on 7 May and submitted its report on 1 June. The Swedish government decided on 4 June to forward the bureau's report but only after blanking out considerable portions on the plea of commercial confidentiality. These portions must have contained the names of the recipients of considerable amounts. We were concerned at this development and the CCPA recommended the appointment of a joint parliamentary committee (JPC) to investigate the matter. I was with Rajiv Gandhi in his office when Buta Singh, the home minister, first made this suggestion. I told them that I was not in favour of this as we ourselves had opposed the opposition demand in the last session

of Parliament. Further, the JPC would be packed with Congressmen, seeing to its strength in Parliament, and therefore its credibility would always be suspect. The chairman of the JPC would have considerable powers to decide the procedures and even contents of the report, and if at all it was to be recommended, its chairmanship should be offered to the opposition. I expressed my preference for the appointment of an inquiry commission consisting of a sitting judge of the Supreme Court to give more credibility to the findings. The proceedings would be more open, and examination of witnesses and production of documents more transparent. Rajiv Gandhi and his colleagues, however, did not agree with me and it was decided to recommend the setting up of a JPC to Parliament. I think the opposition made a mistake in boycotting the JPC. The JPC would have presented the opportunity to them to call witnesses and ask for documents which the government would otherwise not have shown. In fact, it was the opposition that had asked for a parliamentary probe and it was a bit awkward for them to boycott the JPC now. The government too made a mistake later in appointing a cabinet minister as chairman of the JPC. No politician would leave a cabinet ministership unless he was promised his return to the cabinet, and this obviously depended on his ensuring a report acceptable to the government. Shankaranand's choice as chairman of the JPC was therefore a sure sign that its report would have little credibility. I made my position clear on this issue too but to no avail.

Rajiv Gandhi cancelled the visit of the Bofors' team in the first week of July. I was present at this meeting, but I do not remember N.N. Vohra, additional secretary, defence production, being given any dressing down as hinted by General Sundarji in his subsequent interview. Rajiv Gandhi's argument was that the Bofors team should give the names of the recipients of commissions in writing or before the JPC itself. It was no use their giving the names orally, as the government would be subjected to all sorts of allegations of doctoring the Bofors' team's evidence. I could appreciate this argument but I said that despite that we should informally get the names of the recipients so that we could quietly initiate action against them. And here was raised, for the first time, a doubt in my mind. Bofors would not offer to give the names of the recipients even orally unless it was sure that we would take no action against the recipients, otherwise its credibility in commercial circles would be damaged. No agency would be prepared to serve them if it feared that its identity could be disclosed. I therefore surmised that

if the Bofors team was prepared to give the names orally it was sure that these would be so inconvenient to the government that it would just keep quiet about the disclosure. At that time I was not aware of Arun Singh's outburst after he came out of the meeting with Rajiv Gandhi, so graphically described by General Sundarji in an interview later. Arun Singh resigned on 18 July.

I had an uneasy feeling that the Prime Minister's Office knew the names of the recipients and had communicated them to the prime minister. One could only surmise that the beneficiaries could be the Congress party or a close relative or friend of the prime minister's family. In August when the appointment of the JPC was to be discussed in Parliament, Rajiv Gandhi made a statement declaring that neither he nor any member of his family had received any consideration in the Bofors' transactions. All of us were impressed by his *suo moto* statement that clearly reflected not only his honesty and integrity but also the conviction that his integrity was beyond doubt and his image was unnecessarily being tarnished. A cynic remarked that the family mentioned in his statement did not include Sonia's Italian family. He later clarified in an interview in October that Bofors had clearly said that even the Italian family of Sonia was not involved at all.

The JPC was appointed on 12 August 1987. The Bofors' team came to India on 14 September and appeared before the JPC on 16 September. I was intrigued that Bofors' officials did not disclose the names of the recipients to the JPC but said that they had given this information to the defence ministry and the Prime Minister's Office. The final report of the JPC, submitted in September 1988, was taken with a pinch of salt by many of us, especially in the light of the behaviour of its chairman, Shankaranand, during the inquiry and while writing the report. He did not allow a non-Congress member of the committee to append his note of dissent and it was the intervention of the speaker that saved the situation. During the debate in the Rajya Sabha, Arun Singh clearly stated that, 'They should have paid winding-up charges on the day of the cancellation of the contract and not post the receipt of the contract from India . . . a contract-related payment is a breach of faith.' He also suggested that Bofors should be made to pay Rs 64 crore if it wanted to continue to do business with us.

The various documents published by *The Hindu* during 1987-88 and whose veracity was acknowledged by the Swedish authorities also confirmed Arun Singh's contention that the payments were made as commissions in breach of contract terms.

Whenever I talked to Gopi Hinduja, one of the Hinduja brothers, about the names of the recipients his cryptic reply was that if and when the names did come out the Rajiv Gandhi government would face enormous embarrassment, but added that the Hindujas were in no way concerned with the Bofors' affair.

I joined the Prime Minister's Office in March 1989 and was thereafter directly concerned with Bofors. I mention the following instances.

The Comptroller and auditor general's (CAG) report for the year was received on 25 April during the budget session. Normally the report is placed before Parliament and then sent to the Public Accounts Committee for discussion. In this report, as there was a chapter on the purchase of the Bofors guns we thought that we should first internally examine it, otherwise in the interval between the budget session and the monsoon session there would be an unnecessary controversy in this regard. Rajiv Gandhi's colleagues therefore advised him that the report need not be placed before Parliament in the budget session but on the first day of the monsoon session. This was duly done but as expected attracted rabid remarks and unsubstantiated allegations against the CAG himself from Congress ministers and members of parliament.

General Sundarji's interview appeared in the 15 September 1989 issue of *India Today* in which he said that he had advised the Ministry of Defence that 'if they threatened to cancel the gun contract there was a 99.9 per cent chance that Bofors would cough up the information about who received the money'. His contention was that he 'had consulted the army commanders and assessed that the cancellation of the contract would delay the acquisition process by 18 months to two years, but that was an acceptable risk'. He also said that the additional secretary, defence, N.N. Vohra, had told him about the meeting of 4 July 1987 when Rajiv Gandhi got wild with him about the latter adopting a threatening approach to try and make Bofors reveal the names. Sundarji believed that Arun Singh's resignation was connected with all this. He said, 'I think he went and had a very big dust-up with the Prime Minister. He was torn between his loyalty to the man and what he felt was right.'

We were not too impressed as we knew that the general was disgruntled because he had not got the favours that he had asked of Rajiv Gandhi.

Katre, director, CBI, came with a draft of a letter to be sent to the Swiss authorities for information and assistance. He said that unless

common, criminality was clearly established, the Swiss would not respond positively to our request and he therefore wanted to clearly mention the giving of bribes. I agreed since by this time it was common knowledge that Bofors had given commissions to various parties obviously for influencing people and he accordingly sent the request. Within a couple of days Rajiv Gandhi asked me how I could clear the letter when we did not know the identity of the persons who were alleged to have received bribes. I gave him the same argument: that if we wanted to know the identity of the recipients, the only way of getting this information from the Swiss authorities was to allege that offence which also could cover dual criminality. Merely asking for information for tax evasion or fraud would be to invite a negative response. After a couple of days Katre told me that he was asked to withdraw the letter approved by me and to substitute it with another alleging only fraud, etc. In my view this letter was only a show of making an attempt fully knowing that it would prove thoroughly useless. Unfortunately this apprehension came true.

On 31 October, after the general elections were announced, a number of pages from Ardbo's diary were published by some prominent newspapers. He was the CEO of Bofors' when the sale of the guns to India was finalized. We immediately issued a statement that Rajiv Gandhi was not associated with, or aware of, any trust known as the Gandhi Trust as mentioned in the diary. We also stated that he had never authorized any lawyer or representative to meet any representative or company concerned with Bofors. However, since the general elections had been announced, we thought that further action in this regard should be taken by the Congress party. We fully briefed the party spokesman Anand Sharma who then dealt with it. That he made a hash of it is a different story.

Naresh Chandra, defence secretary, met me and explained that Bofors had offered to supply ammunition and spare parts at a discount or concessional rate amounting to a total of Rs 64 crore. I said they were most welcome to make the offer but it should be made clear to them that we would reserve our right to find out the ultimate recipients of the commissions. The matter did not progress further.

My joint secretary said that P. Chidambaram was taking out a complete set of defence ministry notes and papers on the Bofors affair and would like to have a set in the PMO too. He was the minister of state in the Department of Personnel under the prime minister and also



looking after the CBI. Apparently by that time the Congress party had realized that it might not come back to power. I said if they wanted copies of our papers in the PMO they should personally come but nobody contacted me.

The Congress party got a drubbing in the general elections. Even though it came back as the single largest party, there was no chance for it to form a government in coalition with others. The Bofors issue was one of the two or three major issues that dealt a body blow to the Congress and Rajiv Gandhi's personal integrity was assailed in very crude terms.

V.P. Singh had announced during his election campaign that they would get the names of the recipients of the Bofors' commissions within a couple of months and then take firm action against them. The FIR was registered and the necessary letter was sent to the Swiss authorities which resulted in their freezing the bank accounts. A furious legal battle ensued between the government and the account holders that just dragged and dragged. By February–March 1990, I frankly told V.P. Singh, Vinod Pande, Bhure Lal and others that unless the names were obtained within a month, the credibility of the government in this regard would be seriously jeopardized. Unfortunately, this did happen and the names of the recipients could not be obtained during V.P. Singh's tenure. Chandrashekhar who took over as prime minister in November 1990 was of course not interested for obvious reasons, that is, his government depended entirely on Rajiv Gandhi's support in Parliament. He cynically remarked that such matters were better left to police inspectors. I left the government in December 1990.

Rajiv Gandhi lost the elections in November 1989. To that extent the Bofors affair was a landmark as it put an end to an extremely promising career. It must, however, be added that V.P. Singh was also similarly treated, though in a different way. Even though he had an understanding with the BJP for the general elections of 1989, it was clear that this was only for sharing of seats and not to get support for forming the government because the Janata Dal anticipated getting enough seats to form a government without the help of the BJP. Unfortunately for V.P. Singh the Janata Dal's performance was not at all as expected especially in Karnataka and Andhra Pradesh; the BJP's performance on the other hand, proved to be much better than expected. V.P. Singh thus had to get the BJP's help, though from outside, to form the government. Even then he was hopeful of getting the names of the Bofors recipients and breaking

up the Congress party as had happened in 1978. Bofors however, did not oblige him and that was the beginning of the end of V.P. Singh.

To conclude, I can say without any hesitation that neither Rajiv Gandhi nor any member of his family received any amount in the Bofors case. Though his personal integrity was beyond doubt, there was strong circumstantial evidence that he knew the names of the recipients but was reluctant to expose them, maybe because they were of the Congress party or close relations or friends of the family. The question then arises whether he knew the names before the contract was finalized or came to know afterwards. I have no doubt at all that it was the latter as he was too decent a person to be dishonest. One can only surmise what might have happened. When he took over as prime minister in late 1984, he had decided to cleanse politics and especially the Congress party of powerbrokers and corruption. His decision not to have agents in any deal or contract was one of the major measures in this regard. But his political inexperience and inadequate knowledge of how governmental and bureaucratic machinery works must have nullified his intentions. The political machine was not at all happy with his new policy and even unhappier when he tried to depend more on young professionals from outside. In the case of Bofors too, politicians and even some officials must have disregarded Rajiv Gandhi's directions and quietly continued to have their own way. Further, when he came to know the names of the recipients of the commission, the same politicians and others must have advised him not to bother as they had managed to sail through such bad patches comfortably in the past when his mother and brother were at the helm of affairs. To that extent these aides and advisers failed him and in the process inflicted huge damage not only on him but also on the political system.

But then does it absolve Rajiv Gandhi of his responsibility as the prime minister? I think he paid the price for his failure by losing the prime ministership. I have no doubt at all that after a few more years of experience in politics he would have put his foot down and exposed and punished those guilty of such misdeeds, even if it was his own party or relation or friend. To behave otherwise does not pay in the long run in politics.

*(Written in February 1998)*

# 19

## President Zail Singh

*I* FIRST HEARD ABOUT GIANI ZAIL SINGH WHEN I CAME TO DELHI AS additional secretary in the home ministry in 1978. My joint secretary (Police) used to brief me about the activities of the Congress party in general, and Zail Singh, in particular, in Punjab. The general impression was that the Congress was playing a dangerous game in Punjab by patronizing Bhindranwale, a Sikh Jatha leader as a proxy front against the Akalis who were in power in the state at the time. The Congress party did not know that they were creating a Frankenstein's monster that would eventually come to haunt them.

Zail Singh became the home minister in 1980 in the Indira Gandhi cabinet. Though he gave the impression of being a rustic, he was a down-to-earth politician with tremendous common sense and a keen insight into governmental matters, extraordinary even for a former chief minister of Punjab. He had a knack of getting work out of his officers whom he treated with courtesy and consideration and created a sense of loyalty amongst them. He had a fine set of officers manning his personal office and I came to know his secretary, Bindra, very well and this friendship continued for many years.

When I came back to Delhi in August 1986 as cabinet secretary I took the earliest opportunity to call on President Zail Singh. He was of course very pleased to see me and briefed me on the situation in Punjab. I re-established my contacts with the president's personal office, particularly with Bindra and Tarlochan Singh, who was now his press secretary.

The relationship between the president and the prime minister had already started deteriorating. The Giani somehow came to believe that it was he who had made Rajiv Gandhi prime minister and the latter should therefore consult him on all major matters. Merely showing him courtesy and respect was not enough. On the other hand, Rajiv Gandhi rightfully thought that he had become prime minister on his own and in his own right and nothing more should be expected from him other than the proper relationship between a president and a prime minister. Volumes have been written on the controversy between them and I will mention only those events that have not been written about.

At the height of this controversy there was a strong rumour that Zail Singh would dismiss the prime minister. In my article 'A Conscious No to President' in my first book I wrote:

*The background is that when the controversy between the President and Prime Minister was reaching a flash point, I conveyed to him that in case he were to take the drastic step of removing the Prime Minister, he would definitely face a motion of impeachment in Parliament. His action would not be taken lying down by the Congress Party which had an overwhelming majority in Parliament. Even the opposition parties would support the motion. N Sanjiva Reddy had already created an awkward precedent by appointing a Prime Minister who could not face Parliament and was allowed to govern the country for a long period which was not what was intended by the framers of the Constitution. Nobody, therefore, wanted another precedent which would be far more dangerous as it would mean making the President almost a dictator under the Constitution. I also sent another message. It is the Cabinet Secretary who signs the gazette notification regarding the appointment of a Prime Minister and the constitution of the Council of Ministers on his advice. My message was that I would not sign and issue any such notification as it would be unconstitutional and, therefore, against my conscience as the head of the Civil Service. He will, therefore, have to look for another Cabinet Secretary. I had kept Rajiv Gandhi informed of my message.*

The security cordon around Rashtrapati Bhavan was manned by Intelligence Bureau personnel under the home ministry and we knew in detail who came to see Zail Singh and when. The security personnel were free to frisk visitors and therefore could find any written messages or documents being taken in. Of course, this was not possible on the visitor's

departure but that was a risk we had to take. Zail Singh was very unhappy with this arrangement and he wanted the IB personnel to be replaced with persons in his confidence. We somehow managed to prolong this matter and the IB continued to man the security cordon.

(There is another instance of the atmosphere of suspicion that then prevailed. One day Rajiv Gandhi phoned me to say that he had come to know that the army division stationed in Delhi to look after its security infrastructure was shifted without the PMO being kept informed. He wanted me to find out at whose instance this had happened. When I spoke to the vice chief, he told me that the shifting was part of a routine exercise and they were, therefore, going to inform the PMO in due course. After further enquiries, I was satisfied with this explanation and told Rajiv Gandhi so.)

Rajiv Gandhi was too well mannered to talk crudely about Giani Zail Singh, despite being furious with him, but some of his colleagues, K.K. Tiwari and M.L. Fotedar talked in a most unseemly way about him even though he was the president. Tiwari, a Congress MP, made a statement in Parliament in April 1985 alleging the president's so-called links with Punjab extremists, two of whom had been permitted to stay in Rashtrapati Bhavan. The secretary to the president immediately issued a contradiction and Rajiv Gandhi denied that he had any part in this tirade against the president. I was placed in an awkward position because of the president-prime minister controversy as I had till then had a very cordial, if not affectionate, relationship with Zail Singh. I knew he was rather unhappy with me and I sent him a message explaining the situation.

We had to find a bungalow for Zail Singh as he wanted to settle down in Delhi after retirement, mainly for security reasons. There was one on Krishna Menon Marg but he did not want it as it was on the route taken by Rajiv Gandhi to South Block. He was ultimately given a bungalow in Diplomatic Enclave. Rajiv Gandhi did not forget the way he had been treated by President Zail Singh, especially the rumours fostered by him that he might remove him as prime minister. When a proposal for giving pension, medical facilities and residential accommodation to ex-presidents was being discussed, Rajiv was reluctant to finalize it because it was to cover Zail Singh too.

I have always felt sorry for Zail Singh. I think he was basically a good man but started having ideas about his importance after Indira Gandhi's assassination. The sycophants around Rajiv Gandhi also unnecessarily raised the pitch and the controversy between them almost created constitutional history in India.

# 20

## The Rajiv Gandhi I Knew

*I* HAVE WRITTEN ABOUT RAJIV GANDHI AS PRIME MINISTER BUT AS A private person he was very courteous and warm hearted; and in spite of differences on political and other matters with me and others, he inspired a sense of loyalty and companionship. One was proud that this handsome young man, well turned out, was one's prime minister who could hold his position and head high in any gathering both in India and abroad.

A simple gesture from him put me immediately at ease at the first meeting of the cabinet I attended at 7 Race Course Road. I was sitting on his left when Buta Singh, home minister, came in and instinctively I started getting up to give him my place. Immediately Rajiv Gandhi asked me to sit down and said that, 'A Cabinet Secretary always sits next to the Prime Minister.' Even the secretary to the prime minister sat next to the cabinet secretary.

Rajiv Gandhi sometimes used to refer to me as 'Sir Humphrey', the famous character from the BBC TV Series *Yes Minister* which was so popular then.

He was easy to work with. Even though many of my colleagues found him rather impatient, if not brusque, I could see that this was because he was a young man in a hurry to push India faster into the twenty-first century. To him '*Mera Bharat Mahan*' was not merely a slogan (as Renuka Choudhary, the Telegu Desam MP from Andhra Pradesh, was wont to say) but a mission and conviction. Though with the passage of time he mellowed down considerably, he retained a sense of urgency and impatience. In the beginning he was very impressed, if

not taken in, by officers making a big show of conviction and confidence, but he was shrewd enough to see through them and started realizing the real worth of an officer who was sound and could deliver the goods.

He used to work till quite late at night and could do with only a few hours of sleep. I am, however, an early sleeper. Once he called me at home at about 11.30 p.m. and guessed that he had woken me up. The next day he said that he was sorry but thought that I might also be working late like him. He, however, made it a point never to call me late at night. He was a computer fiend. Once while working on a spreadsheet when budget figures were being discussed, he suddenly asked me to sit at the computer as he wanted to speak on the telephone. When I expressed my helplessness, he was shocked to find that his cabinet secretary did not know how to handle a computer! The next evening I found a computer with training manuals waiting for me at home, and my wife said this had been sent by Sam Pitroda on Rajiv Gandhi's instructions. I did my best to learn but failed utterly. When Rajiv Gandhi realized this after two months he gave up on me in disgust!

He was always smartly dressed and looked quite smashing in his buttoned up *bandhgala*. He was very pleased when I gave him a typically British compliment by asking him the name of his tailor, which he of course did not give. He always buttoned up his collar to receive a visitor or when he went out to meet someone or attend a function. He knew the niceties of a good life and made it a point to ensure that facilities for foreign guests were scrupulously maintained befitting India's status. He took a personal interest in renovating Hyderabad House for state guests and asked a very competent interior decorator, Sunita Kohli, to do it. Her collection of Tanjore paintings was a real feast for the eyes. The Dwarka Suite in Rashtrapati Bhavan was done up by Elisabeth Kerkar of the Taj Group. Sonia Gandhi took an interest in these matters. Whenever Rajiv was the host, the menu was often selected by Sonia and that pleased him. He looked at little details and once told me that he had instructed the bearers at Hyderabad House to wear jackets with a slit at the back. I, however, said that I preferred a flap as the slit looked awkward when the bearers bend down to serve. His sense of style could not in any way be considered as undue luxury or pomp; that was just his way of living. This was often criticized as ostentatiousness but that was a gross misrepresentation.

His capacity to understand and pick up even complex matters was remarkable. It was a pleasure to hear him speak fluently on complicated

subjects with the help of slips on which points were made. When a prepared speech was to be read out he went through the draft very carefully; I often saw him correcting words and sentences from a draft prepared by Mani Shankar Aiyar with his command of words and phrases.

Rajiv Gandhi was a highly private person and zealously kept his family out of public and official glare. I went to his residence at 5 Race Course Road only once, and that too in his car which he was driving himself, having given his escort the slip. I had seen his children Priyanka and Rahul in 1979 at their school where my wife taught occasionally and I told him that she had found Priyanka a popular girl while Rahul was on the quieter side. I met Sonia Gandhi only at official functions. Once, at lunch hosted by the president in the Yellow Room at Rashtrapati Bhavan, Sonia was the only lady present. Since she was standing by herself I went across and talked to her for five minutes before the president came. Afterwards Rajiv thanked me for talking to her as usually nobody went up to her and she was always left alone. On another occasion when Rajiv and Sonia had come to the airport to see off a visitor I told her that her photograph in the morning papers of trying to catch the running child Varun, at his father Sanjay Gandhi's *samadhi* the previous day would make her very popular with Indian women especially mothers. When I met Rajiv in the office he was pleased by my comment.

A well-known ballet troupe from abroad was to give a performance at Siri Fort one evening. I was persuaded by my family to go with them and so asked Rajiv to excuse me from a cabinet subcommittee that evening. When we reached the auditorium there was chaos there as they had suddenly been told that the prime minister and his family were coming. When I met him during the intermission he just winked at me and said, 'If the cabinet secretary can bunk so can the prime minister.'

Rajiv Gandhi felt highly constrained by the security around him and often itched to get out of that solid shell. The security cover made him impatient because it not only restricted his freedom but also severely limited his access to the outside world and the common people. He was acutely aware that as a result, a sort of coterie was forming around him, while he wanted to establish free channels to the outside world. Therefore, whenever he met a visitor he would ask him penetrating questions. I noticed that he was much freer with me and my colleagues when there was no politician around. He was loyal to his friends even



though sometimes this proved a bit awkward. I would cross-check with him about certain messages that we were told were his personal instructions and I had on occasion to complain to him about Satish Sharma. His sense of loyalty to his friends must have landed him in many embarrassing situations such as the Bofors affair.

He was very particular about his security officers being well looked after and always inquired about them before retiring. He was fully conscious that they were there literally to put their heads on the block to save him. I found that the security officers were not given the full daily allowance on foreign tours as then meals were supposed to be free, but the officers could never avail of this until after the prime minister had retired, which was very late, and they would therefore be out of pocket. I told Rajiv that I was going to issue orders to give them the full daily allowance without any deductions. He not only readily agreed but gave a good dressing down to the administrative office in charge. He was remarkably indifferent to his own personal security but was extremely particular about the security for his family, especially his two children.

When the elections were announced in October 1989 we discussed with the security officer whether Rajiv Gandhi could have more freedom to talk to and even mix with the public.

When V.P. Singh asked me to continue with him, Rajiv said he would not mind my working with the new prime minister. When the president was to address Parliament in the Central Hall, Rajiv was the leader of the opposition. I went across to wish him but I could see that many from the Janata Dal were not too happy with this gesture. In fact there was great pressure on V.P. Singh to discontinue my services and one minister openly said that I was Rajiv Gandhi's mole in the Prime Minister's Office. This alerted me and I consciously decided not to meet him though I was in no doubt that he would never ask me to tell him anything or do anything for him. I knew this was the correct course when the Arif Mohammed episode took place. When he was a minister in the V.P. Singh government, Arif Mohammed dropped in to see Rajiv Gandhi in Parliament. This was blown up into a controversy by interested parties who said he was carrying out some negotiations with Rajiv. People around Rajiv started telling him that I had deserted him and tried to prejudice him against me. I tried to see him on his birthday but could not as there was some communication gap. I was, however, told in December 1990 that he had been happy to read my interview in the

*Economic Times* with a headline that said I had 'a soft corner for Rajiv Gandhi'. I went to see him with Manubhai Desai in February 1991 before I left Delhi permanently for Bombay. As Pranab Mukherjee and Karan Singh were also there it was a very brief meeting. That was the last time I saw him.

One can also add that he was not a very lucky prime minister. Certain events took place that do not have any rational explanation. If he had been luckier he would have survived these adverse happenings, as happened in the case of many leaders who were infinitely worse than him but were luckier. If he had not been assassinated, he would have certainly come back to govern the country as a mellowed and mature leader and a better judge of men and events.

His years as prime minister should be judged and surveyed with more sympathy and understanding.

WITH V.P. SINGH AND  
CHANDRASHEKHAR



# 21

## Formation and Defeat of the Government

SINCE RAJIV GANDHI HAD DECIDED NOT TO STAKE A CLAIM TO FORM the government it was obvious that the next largest party would be called upon by the president and we were keenly watching the developments in the Janata Dal parliamentary party. The crucial meeting to elect a leader was scheduled for the evening of 1 December 1989. Our first intimation in the Prime Minister's Office was that Chaudhary Devi Lal was going to be the leader, but suddenly the picture changed and V.P. Singh was elected. It was fascinating to watch, as one magazine said, the strategy 'in which an unwary Chandrashekhar, for long labelled the country's wildest politician and party wrecker par excellence, was brilliantly checkmated and politically humiliated and the shock showed on his face as he muttered under his breath "I will show them".' He later spoke briefly, saying, 'I support the decision but with reservations because I was kept in the dark about all this.' Later when saffron-robed N.T. Rama Rao called a general National Front meeting to order, Chandrashekhar with a few of his supporters walked out in disgust.

The Special Protection Group had already been alerted and was at hand to escort V.P. Singh to Rashtrapati Bhavan. The president formally invited him to form the government.

I consulted my colleagues about my resignation as principal secretary to the prime minister. The letter was drafted by Vasudevan, additional secretary in the PMO, and began thus 'In the past tradition of civil service . . . ' I sent him to V.P. Singh's house in Lodi Estate and asked him to liaise with the secretary to the president about the swearing-in ceremony of the new prime minister. The next morning I

went to V.P. Singh's residence at about 8.00 a.m. and found the family having breakfast with a couple of friends. He said that the swearing-in ceremony would be the next day. In the evening, Vasudevan who had drafted the necessary letters to the president informed me that only the prime minister and the deputy prime minister would be sworn in the next day, 3 December.

The ceremony took place at 12.15 p.m. when V.P. Singh and Devi Lal were sworn in. The president administered the oath to Devi Lal as a cabinet minister but the latter insisted that he was taking the oath as deputy prime minister. There is no such post in the Constitution! The president just ignored this.

The new prime minister came to the office in South Block where I introduced the officers of the PMO. Press photographers and TV teams were present in full force. When I asked about his customary TV address to the nation he said that he himself would write it. As is the convention, I placed before him my resignation letter, the first official paper he saw, so that he could have a person of his choice and confidence as his principal secretary. He, however, said without any hesitation that he would like me to continue with him at least for a year.

The new council of ministers was sworn in on 5 December. The prime minister discussed the allotment of portfolios with me and indicated his choice. I said his choice of Mufti Mohammed Sayeed as home minister was an innovative step as it was the first time that India would have a Muslim in this position, but it would not be possible for him, for obvious reasons, to change the portfolio at any time in the future. He just smiled at me. I was not in favour of Madhu Dandavate as finance minister as the financial and economic scene was very grim and needed a firm hand and he was known to be of a mild temperament. I suggested to the prime minister that he should keep the finance portfolio as he had been finance minister in Rajiv Gandhi's cabinet and give the defence portfolio to Dandavate. However I could not persuade him to reconsider as obviously he had made up his mind to retain the defence portfolio, for obvious reasons, and there was no other major portfolio for a senior Janata Dal leader like Dandavate. I.K. Gujral claimed and was given the external affairs ministry; Devi Lal was given agriculture; the two important leaders from the old Jana Morcha, Arun Nehru and Arif Mohammed Khan were given commerce and energy respectively; and Ajit Singh, as an important Lok Dal leader, was given industry. I then suggested that tourism should be attached to the

commerce ministry and given to Arun Nehru as it was a good source of foreign exchange. The new prime minister agreed with this. For the still-unallocated ministries of civil aviation and communications, I suggested Arif Mohammed Khan for the former as additional charge and Unnikrishnan for the latter; later I regretted my suggestion regarding the communications ministry. The prime minister also indicated that as Ramakrishna Hegde was not a member of Parliament, he was to be made deputy chairman of the Planning Commission with the status of a cabinet minister.

After a few days the prime minister said that he had decided to induct Professor M.G.K. Menon as minister of state as he wanted to have some eminent scientists in the ministry. I gave him my frank assessment that Dr Menon was no longer a scientist and had become thoroughly politicized. Even during Rajiv Gandhi's time, the scientific community had more or less disowned Dr Menon. He had entered into the bureaucratic structure when he became secretary of the Department of Electronics. Later he became a member of the Planning Commission and then scientific adviser to the prime minister. His handling of scientific subjects in government left much to be desired and in fact there were serious comments that he was being unduly influenced in his work by some of his staff members. Also, when I had asked Rajiv Gandhi to decide if Dr Menon should continue as a member of the Planning Commission as he had already been there for five years he said that when Dr Menon was appointed as his scientific adviser it was expected that he would give up his position in the Planning Commission. He told me to advise Dr Menon accordingly but when I did so, he literally broke down and said that the Planning Commission alone gave him some authority and power in the government and he would rather continue there and give up the position of scientific adviser, however prestigious. When I told him that I would be issuing a notification that he had just relinquished his charge in the Planning Commission, he again broke down and asked me to wait till he had seen Rajiv Gandhi. And sure enough within a day or two Rajiv Gandhi told me not to take any further action as he had felt highly embarrassed when Dr Menon pleaded before him to be spared. The new prime minister, however, said that he would still like to have Dr Menon and so he was sworn in as a minister of state and given charge of the scientific departments under the prime minister. Later he was also made MOS in the human resource development ministry when its minister resigned. At the end of his

tenure, however, the prime minister did tell me that I was right in my assessment of Dr Menon: he hankered after ministership like ordinary politicians and but would not give up his other honorary positions in the academic and scientific fields.

With Dr Menon being made a minister, Dr Raja Ramanna sent a feeler to us and the prime minister responded favourably. I spoke to J.R.D. Tata as Dr Ramanna was then working with him. After some time, during which Dr Ramanna was obviously rather impatient, he was sworn in as a minister of state and given charge of defence production. As he had been chairman of the Atomic Energy Commission and scientific adviser to the defence minister, I cautioned the prime minister that this appointment might send a wrong signal that we were thinking of going in for nuclear weaponry as Dr Ramanna was known to be rather close to hawkish civilian advisers. I had also to arrange that Dr Arunachalam, scientific adviser to the defence minister, would now report directly to the prime minister. I wondered why V.P. Singh was so keen to have Dr Menon and Dr Ramanna as ministers. Was he trying to make amends to himself for his unfulfilled ambition of becoming a nuclear physicist. As a matter of fact he had joined my college, Fergusson, in Poona in 1959 when he was thirty years old and a married man.

When the prime minister decided that George Fernandes should also look after Kashmir affairs, a ticklish problem arose, as under the Rules of Business this subject was with the home minister. We therefore had to commit some semantic jugglery to notify this additional portfolio given to Fernandes. This naturally created some confusion in the home ministry and some undefined tension between the prime minister and the home minister, who incidentally was from Kashmir.

Devi Lal created a ridiculous interlude. He wanted S.K. Misra as agriculture secretary but Misra did not want to move from the tourism ministry. Devi Lal then suggested that he be made minister of tourism as well so that Misra's desire could be accommodated. This was of course treated with the unconcern it deserved.

We were all watching the new minority government with keen interest. It was formed by the National Front consisting of, among others, constituent parties such as the Janata Dal, Telugu Desam party, DMK, and Assam Ganatantra Parishad etc. and supported from outside by the Left Front and the BJP. It was thus a desperate conglomeration surviving on the sole objective of keeping the Congress out of power. It was obvious that such a motley group would not survive for long as



the major constituents, the Janata Dal and the leftists parties were quite opposed to the BJP's political philosophy. V.P. Singh, however, would tell us that his minority government was the most stable as destabilization would only mean general elections, which nobody wanted, at least for the next three or four years. He also said a minority government had always to be alert to burning issues and sensitive to public opinion, and show results, as its survival depended on its performance unlike a government with a comfortable majority.

His political calculation was as follows. The BJP would not rock the boat as long as it did not feel threatened by the new government in its sphere of influence, especially in Uttar Pradesh, and also as long as its own intra-party groups did not force the leadership into aggressive communal postures regarding the Ayodhya issue. He estimated that within a short time of a year or two, he would be able to defuse the situation in Uttar Pradesh, or create a force to counter the Hindu communalism of the BJP. And it is here that he played his Mandal card, insisting on implementation of the recommendations of the Mandal Commission in regard to reservations for other backward classes (OBCs) in government services. In the politics of consensus in the new government he thought that the BJP would be a party to all major policy decisions, as it would have power without any responsibility and would, therefore, continue to support the government from outside.

V.P. Singh was, in addition, counting on a split within the Congress party. He was confident that he would be able to quickly resolve the Bofors case and get the names of the alleged beneficiaries in the transaction and this would damage Rajiv Gandhi's reputation to such an extent that it would certainly lead to a split in the Congress party as had happened in 1978. He would then be able to attract a large section of the Congress party and that would strengthen his government. All said and done, he was more at home with his former colleagues in the Congress party than with the motley company he had since acquired. He was opposed to Rajiv Gandhi and not to the Congress party. Fate dealt him a shattering blow as it was Rajiv Gandhi who saw the Janata Dal split instead of V.P. Singh having the pleasure of splitting the Congress (I).

As it was a minority government the new prime minister was compelled to adopt a policy of not taking major policy decisions unilaterally but through a process of consensus. He adopted the system of regular meetings with leaders of the supporting parties before any

major decision would be taken and announced. This naturally slowed down the process of decision-making. One such example was the new industrial policy that the government wanted to adopt but was being resisted by the Leftist parties. The proposal of Amar Nath Varma, industry secretary, was discussed ad nauseam not only within the government but with the Leftist and BJP leaders too. At a meeting called by Ajit Singh, industry minister, Ashim Das Gupta, West Bengal finance minister and blue-eyed boy of the Chief Minister Jyoti Basu was present. I had deliberately taken Bimal Jalan, finance secretary and Montek Singh Ahluwalia, special secretary, with me to make a presentation to Das Gupta. The government, however, could not finalize a new industrial policy because neither the so-called negative nor the positive list could be finalized. Another example was the sugar industry. There was great pressure from members of Parliament from Uttar Pradesh, for delicensing this industry where this industry was mostly in private hands. The procedure for grant of a new licence was a complicated one and the office of the director of sugar was a big stumbling block. Maneka Gandhi drew the attention of the cabinet to the plight of Uttar Pradesh sugar farmers. The situation there was totally unlike that in Maharashtra where cooperative sugar factories had to offer all sorts of incentives to farmers to bring their sugarcane to the factory. In Uttar Pradesh she said it was the farmers who had to literally bribe factory agents to accept the sugarcane and the factories were always in arrears in payment of huge amounts due to farmers. The proposal that finally emerged was that the distance between a new factory and the existing one be reduced, but only if there was enough sugarcane in that area. The prime minister said that this would only delay the process as the authority which decided on the sugarcane crop in that area would take its own time. He, therefore, wanted to remove this condition and keep only the distance criterion. Both industries and the food ministers wanted their ministry to be the licensing authority. I, therefore suggested that the industry ministry should send a reference to the food ministry and that ministry should send its remarks within a specified period of one month and then the industry ministry could issue the licence. I do not remember how this matter was sorted out.

Decision-making became a casualty because reaching a consensus acquired more importance than taking a decision and this automatically led to taking soft options. It is natural for a new government to take whatever hard decisions it has to take in the first six to eight months,

which is the usual honeymoon period with the public, but the process of consensus which V.P. Singh's government had to adopt did not permit this.

The inherent unstable nature of the new government started emerging slowly but surely. First, Devi Lal turned out to be an internal destabilizing focus. Second, Chandrashekhar, whom V.P. Singh had pushed aside to become the prime minister, licked his wounds in silence but steadily attracted all dissatisfied elements. Third, the major supporting party from outside, the BJP, started becoming apprehensive that the new government might continue for a longer period and marginalize its influence and also that the Mandal card might seriously jeopardize its power base. Last, and most important, the government could make no breakthrough in the Bofors case and to that extent V.P. Singh's expectation of a split in the Congress party was not materializing.

Devi Lal had an unstable character. The role of *Tau* or kingmaker that he assumed for himself and which unwittingly, and maybe even gratefully, was conferred on him by the V.P. Singh faction came back to haunt the new government. Devi Lal should have remained a district-level politician or, at most, a state-level politician; he was not only a disaster at the national level but turned out to be a destructive force also. He had no idea how the central government functioned and treated it as if it were a petty state government. He made all sorts of announcements and promises such as the governor of Jammu and Kashmir, General Krishna Rao, would be removed; 50 per cent of the ambassadors' posts would be reserved for people from rural areas; liberal allocation of foodgrains to Tamil Nadu; and reservation of scheduled castes and scheduled tribes that was to be extended should be based on economic criteria. As a kingmaker he wanted not only to be consulted but to have a major say in the appointments of ambassadors and senior bureaucrats. Even though he was not a member of the Cabinet Appointments Committee he made all sorts of suggestions and promises. Favour-seeking officers flocked to him, which aggravated the situation, and his personal staff became very powerful. A further complication was that he could not read English well, and had to be either briefed by his personal staff or given a note written in Urdu. An uneducated village leader can have dignity and grace but Devi Lal was completely uncouth, used vulgar language uttering the choicest abuses in his mother tongue, Haryanvi. The videotape that showed him abusing his attendant for handing him the wrong socks was a typical

example of his feudalistic personality and haughtiness. His filial love and loyalty created a crisis in the Janata Dal when he did not easily acknowledge the misdeeds and misbehaviour of his son, Om Prakash Chautala, who was sworn in as chief minister when Devi Lal stepped down. Om Prakash was contesting assembly elections from Meham and there was large-scale violence and killing by his so-called Green Brigade. The video recording of the disgraceful happenings at Meham queered the pitch still further. Devi Lal's other two projects of increasing the procurement prices of cereals and write-off of loans produced extremely adverse financial repercussions. His foreign visits also created a shiver of alarm amongst us. He was to visit Australia and my office thought it might be embarrassing if, like a common Haryana landlord of the old school, he took a slight pinch of opium, because this would require the deputy prime minister of India to take a permit to carry it there. I said we should explain diplomatically that there was no truth in this apprehension, and at the same time sent an appropriate message to his personal staff who was to accompany him.

We watched with apprehension the prime minister's discomfiture and uneasiness with his deputy prime minister and wondered how long this charade would go on. Devi Lal's letters, which became public, about the involvement of a colleague, Arun Nehru, in the Bofors affairs was an acute embarrassment to the government. His graceless remarks about another colleague, Inder Gujral, in an interview in *The Illustrated Weekly of India*, really created a turmoil in the government because he was quoted as saying that the prime minister was 'spineless' and other cabinet colleagues were 'nalayaks' and 'wimps'. His open defiance of the prime minister and equally open activities to split the party could no longer be ignored. It was widely believed that V.P. Singh resurrected the Mandal report to strengthen his position vis-à-vis Devi Lal's open defiance. This is dealt with later.

Devi Lal conferred upon me the dubious distinction of being the first bureaucrat to process the case for removing a union cabinet minister. Both I.K. Gujral and Arun Nehru were in the prime minister's party visiting Moscow and the USSR in the summer of 1990. During our return journey Arun Nehru said we would soon come to know what action would be taken against Chaudhary Devi Lal. And sure enough some days later I was called to the prime minister's residence where he was having dinner with some colleagues in the Council of Ministers and his own party, and with important leaders from supporting parties.

The prime minister said that it had been decided to dismiss Devi Lal from the cabinet and I should prepare a draft letter to the president. I immediately called Murari, secretary to the president to alert him. Even though it was decided to dismiss the deputy prime minister, I used the word 'removal' in the draft in recognition of the dignity of the position. The prime minister accepted this and signed the letter. At Rashtrapati Bhavan the president's first remark was that he wanted to be extra careful as this was the first time that the provisions of Article 75(2) had been invoked. Murari or I said this may have happened once before in 1975 when Mohan Dharia was removed. The president said his recollection was otherwise and he looked into the books on the Constitution. We found that the president's memory was better than ours as Dharia had resigned and not been removed. We then discussed the entire matter in detail and I left. Next morning's newspapers said the president had signed the notification accepting the advice of the prime minister to remove Chaudhary Devi Lal.

The coming together of the National Front and the BJP was not only a tactical move for keeping the Congress out of power but also a highly opportunistic marriage of convenience. V.P. Singh did try to carry the BJP along with him, especially through the mechanism of holding weekly meetings with supporting parties to decide major policy issues, but by April 1990 things were not working out as well as he had desired. In fact, it was too much even for the common man to accept that two such parties as the Janata Dal and BJP with opposite views on secular or communal issues could come together even for a short while. Theirs was not a sincere effort but a purely opportunistic companionship.

The Vishwa Hindu Parishad's (VHP) agitation for the Ayodhya temple had been suspended for about two or three months when the new government was formed which then constituted a committee in February 1990 to talk to the parties and find an amicable solution. The prime minister discussed the issue threadbare in the coordinating committee of the supporting parties separately and behind the scenes as well. He had a close rapport with Professor Rajindra Singh, now head of the Rashtriya Swayamsevak Sangh (RSS) and he used this channel fully. He also tried to get the BJP's moderate leaders, in particular Atal Bihari Vajpayee, Bhairon Singh Shekhawat, and Jaswant Singh, to use their influence in resolving the issue. Yet the Vishwa Hindu Parishad and the Sangh Parivar felt that the prime minister was not very keen or serious, and was just marking time to consolidate his position.

Though on the surface all was friendly, the prime minister had realized at an early stage that it was not possible to retain the BJP's support for the government for long and that he would have to change his strategy either to force the BJP to fall in line or to do without its support. He must also have realized that his wishful expectation of a split in the Congress party was not coming through and to that extent his own position was becoming unsure. And it is here that he vigorously started wooing the Muslims; and also started playing the Mandal card.

V.P. Singh and his party had fully exploited for the 1989 elections the disenchantment of the Muslims against the Congress because it had permitted *shilanyas* in early November 1989 in Ayodhya. Singh was openly wooing the Shahi Imam of the Jama Masjid in Delhi and it was generally felt that there was some sort of understanding between them. The Shahi Imam and his son were given very favourable and courteous treatment by the new government. As a further ingratiating gesture the prime minister wanted to declare a public holiday on the birth anniversary of Prophet Muhammad. While there are such holidays on the birth anniversaries of certain other religious leaders like Gautama Buddha and Guru Nanak, a public holiday on the birth anniversary of Prophet Muhammad had been examined earlier but not found feasible as it could not be substituted for another Muslim holiday. This was brought to the notice of the prime minister but he had made up his mind and announced this in his Independence Day speech. As this was not considered important enough to merit inclusion in his speech, it was regarded by many as a highly political announcement and greatly resented by the BJP – one of its major supporting parties.

There was also an internal power struggle in the BJP. The Advani faction was under tremendous pressure and wanted to have an issue to exploit and gain ascendancy in the party which felt that its association with the government was neither benefiting it in any way to improve its strength and nor did the party agree with the government's policies on Jammu and Kashmir, Punjab, lack of statehood for Delhi, and, of course, Ayodhya. There were in addition other issues that were causing increasing restiveness amongst the cadres. We were informed in April that the BJP leadership had decided to assume a confrontationist posture against the government on Ayodhya as a curtain raiser. Local agitations were to be started all over India. The Advani faction, wanting to gain ascendancy in the party, announced on 11 September his programme for a Rath Yatra from Somnath to Ayodhya. The choice of Somnath

was significant as the famous old Hindu temple there that had been destroyed by the Muslim invaders centuries earlier was rebuilt and rededicated in 1949 to the same Hindu god. The similarity with Ayodhya was apparent but the BJP conveniently, if not deliberately, glossed over the fact that the rebuilding of the Somnath temple was done through a consensus between the two communities.

As happens often to popular agitations, the Mandal card ceased to be the major issue the moment BJP started vigorously playing its Ayodhya card. The Ayodhya case in the Supreme Court also could not be settled before the government resigned, and in fact it took almost two more years to pronounce its decision.

In my view the BJP would have liked to join the government but the Left Front was resolutely opposed to this. The VHP had suspended its agitation on the Ayodhya issue at the time of the 1989 general elections and gave time first till February 1990 for state elections and then a further four months to the V.P. Singh government to sort out the issue. On 15 February the government constituted a committee of ministers to talk to the various groups and to find an amicable solution, but the committee produced no tangible results within the six months given to it. The prime minister asked for more time, which the VHP gave rather reluctantly but made clear that it would not wait beyond that. The government did make all efforts to find a solution, but the prime minister was aware that this was an exercise in futility. The BJP knew that it was on a strong electoral platform on the Ayodhya issue that would propel it into a powerful position in future elections. It was, therefore, unthinkable to expect it to give up an issue that was a sure vote getter. The alternative too was not at all attractive. To continue to be only one of the two major supporting parties from outside did not give the BJP much leverage, especially when the other supporting party, the Left Front, was openly opposed to the BJP.

The Janata Dal was also undergoing an internal power struggle. Chandrashekhar had not forgotten that he had been denied prime ministership through a very clever manoeuvre by the V.P. Singh group. He gradually started a move against the government that it was communal because of BJP support. The prime minister had to take serious notice of this internal challenge. The Left Front was also disillusioned with its association with the BJP as a partner in the tripartite combination of the National Front, the BJP and itself, and

started exerting pressure on the government. The major political player, the Congress gleefully fished in these troubled waters and more forcefully repeated the charge of the government's communalism because of its association with the BJP.

A meeting of the Communal Harmony Committee of the National Integration Council was held on 18 September in the home ministry to find a solution to the Ayodhya dispute and to emphasize the urgent need for a negotiated settlement. Advani's suggestion to read 'to the satisfaction of all concerned' was included in the draft. Ram Mohan Rao, principal information officer (PIO) in the Ministry of Information and Broadcasting who also looked after press relations in the Prime Minister's Office, told me he was going to brief the press and I asked him to get the home ministry's version as the National Integration Council was with that ministry. His briefing created a row next day as Advani's suggestion seemed as if the BJP was backing away from its rigid stance and put him in a rather embarrassing position. He roundly criticized the government. At the meeting of the main council in Madras on 22 September, both Chandrashekhar and Rajiv Gandhi also blamed the government and especially the prime minister for the PIO briefing the press but his role as an officer in the PMO was conveniently forgotten. V.P. Singh accepted the berating but told me that it was strange that nobody was criticizing the BJP for its communal politics.

Advani's Rath Yatra from Somnath started on 25 September. It created a communal whirlwind throughout India. The person most affected was the chief minister of Uttar Pradesh, Mulayam Singh Yadav, but to his credit he took firm action from early October. Ayodhya was cut off from the rest of the country. Roads and bridges were closed and later train services too were stopped. A large number of *karsevaks* were thus restricted, but the atmosphere was so surcharged that a virtual bloodbath was apprehended on 30 October. At the chief ministers meeting on 22 October, Yadav gave full vent to his bitterness at being let down by everybody including several chief ministers and even the central government. This sense of bitterness had only increased further when the fateful day arrived.

Advani was in Delhi from 12 to 17 October. The prime minister called an all-party meeting on 18 October, but it lost much of its relevance as it was not attended by the Congress. On 23 October, the BJP announced its withdrawal of support to the government.



The government thought of issuing an ordinance on Ayodhya. The first draft contained the provision that the nature of any religious place as on 15 August 1947 shall not be changed except in the case of Ayodhya where a court case was going on. This was naturally not acceptable to the BJP. The second draft therefore proposed to acquire all the land, both disputed and undisputed – which was acceptable to the BJP but not to the Muslim leaders. According to the latter, if the disputed area was acquired it would lose its very character and, therefore, the question of any court of law deciding the claim of the Muslim community over it would not arise. V.P. Singh told me later that he could appreciate this apprehension as one of the BJP chief ministers had told him that acquiring the disputed area removed all claims over it and it therefore became undisputed and the VHP could well start construction of a temple on it. The ordinance therefore contained a provision that only the undisputed area in the vicinity of the disputed area would be acquired. This was not acceptable either to the BJP or the Muslim leaders and the government had no alternative but to withdraw it. This severely affected the government's credibility and its capacity of handling the situation.

It was inevitable that V.P. Singh would not secure the confidence of the Lok Sabha and he, therefore, resigned on 7 November 1990. We wondered why V.P. Singh, instead of facing Parliament where he was bound to be defeated, did not recommend to the president the dissolution of the Lok Sabha and call for fresh elections. It was almost certain that he would have received a fresh mandate from the people and come back with a good majority. If he had done this around 12 September, when Advani announced his Ayodhya Rath Yatra and the BJP had not yet withdrawn its support, and his government's credentials and credibility were intact, his recommendation would have been accepted by the president. This would also have pre-empted the BJP's move to withdraw its support which it did only on 23 October. Instead, he announced on 17 September that he would not go to the polls even if the BJP withdrew its support. This was nothing but a political blunder, if not *hara kiri*. After that date, however, he lost all his chances of taking this step. On 19 September the self-immolation by Rajiv Goswami in Delhi in protest against the Mandal Commission's reservation policy, widely shown on television, gave the anti-Mandal agitation a fiery push and led to mass hysteria against the V.P. Singh government. Within a short time the number of casualties had risen very sharply and V.P.

Singh's position within his party, within his government and even throughout the country had become increasingly weaker. Since the recommendation for dissolution of the Lok Sabha has to be approved by the cabinet before it is sent to the president, it would not have been possible for V.P. Singh to get such a recommendation. Further, there would have been a revolt within his party as many of the Janata Dal MPs would not have wanted to face the electorate with the anti-Mandal agitation in full swing. One must reluctantly come to the conclusion that V.P. Singh made a virtue of necessity when he said that he would not dissolve the Lok Sabha but face it and would not mind being defeated for his secular stand. He had no other option and it is hard to believe why he thought that he would still survive.

# 22

## Transfers of Governors and Civil Servants

### New Governors

*I*T WAS ON THE CARDS THAT THERE WOULD BE LARGE-SCALE TRANSFERS of governors after the V.P. Singh government took over. Certain governors like General Krishna Rao from Jammu and Kashmir, Romesh Bhandari, lieutenant governor of Delhi, and Siddharth Shankar Ray from Punjab were sure to be shifted. But the government decided that a significant number of other governors would also have to be removed. As is the convention, the home minister sent this list to the president who wisely advised the prime minister that resignations should be asked for from all governors and accepted only of those whom the prime minister wanted removed. This was easier said than done. Being the head of a coalition government and also supported from outside, the prime minister had to satisfy various interests and party expectations. The appointment of new governors therefore became a rather long process and created some unpleasantness too.

Some cases are of interest. When I heard in the first week of January 1990 that Jagmohan was to replace General Krishna Rao I expressed my uneasiness both to the prime minister and the home minister. Farooq Abdullah was not likely to have forgotten his own dismissal as chief minister by Jagmohan during Indira Gandhi's regime and he lobbied through his friends amongst the Leftist parties. Only the BJP did not comment, and this was used by vested interests to brand Jagmohan as a BJP nominee. But the prime minister was satisfied with Jagmohan's executive ability and the good public support he had received during his

previous assignment as governor and thought he was the right choice, especially when the law and order situation was deteriorating very fast. The home minister, Mufti Mohammed Sayeed, dismissed my reservations with a cynical remark, 'Farooq is a playboy and would not like to give up the perks and comforts of chief ministership.' Unfortunately, Mufti Saheb's reading was completely wrong and the day Jagmohan was appointed Farooq submitted his resignation which General Krishna Rao accepted. Governor's rule had to be promulgated and the assembly kept in suspended animation.

After sending his resignation to the president, Dr P.C. Alexander, the governor of Tamil Nadu, wrote a personal letter to the prime minister that was passed on to me. I sent him an appropriate reply but he took umbrage at my replying to his letter to the prime minister and wrote a rather curt letter to him. Brahmananda Reddy, the governor of Maharashtra, nominated a large number of persons to fill the vacancies in the legislative council on the advice of the chief minister. State assembly elections were due shortly and the prime minister thought that it was not proper for the governor to abide by the advice given by the chief minister in such an important matter. Reddy hit back by refusing to address the legislature on 19 January. As a result the chief justice of the Bombay High Court had to be sworn in as acting governor on the previous day. Ram Dulari Sinha, governor of Kerala, just left the state without notifying her whereabouts. We had to ask the Intelligence Bureau to trace her.

B. Rachaiah was originally proposed as governor of Uttar Pradesh but George Fernandes, the railway minister, said that Rachaiah did not know much Hindi and would hence be a misfit. He was therefore sent to Himachal Pradesh. S.K. Bhatnagar, the governor of Sikkim, had to go as he was mentioned both in the Bofors and HDW submarine cases. Admiral Tahiliani, the former naval chief, well known to the prime minister, was sent to Sikkim. When N.K. Mukherji was to be shifted from Punjab I mentioned Tahiliani's name to the prime minister and also T.N. Seshan's who was at that time member of the Planning Commission. The name of P.K. Kaul, former cabinet secretary, almost went through but apparently he backed out. Virendra Varma who was ultimately appointed was an absolute dark horse to us.

As in other states, the post of lieutenant governor of Delhi is not a constitutional one; in 1990 it was an executive one. Because Delhi is also the capital of the country, it was mostly the prime minister's choice

who occupied the Delhi Raj Bhavan. It was therefore expected that Romesh Bhandari, the lieutenant governor, would submit his resignation, but as he did not, it was made quite clear to him that he had to go. He, however, dared the prime minister to sack him. I suggested the usual bureaucratic *via media* of giving Bhandari an inconvenient posting and he was thus appointed lieutenant governor of the Andaman and Nicobar Islands. Since he had political ambitions and did not want to be away from Delhi, he resigned and we got him out of the prime minister's way.

### Transfer of Civil Servants

After the council of ministers was formed and portfolios allocated, I reminded the prime minister about my letter of resignation but he said that he would like me to continue with him. I was in a quandary as both Rajiv Gandhi and V.P. Singh had conducted a bitter election campaign and in fact one of the popular slogans during that period was 'Rajiv Gandhi *Chor Hai*' (Rajiv Gandhi is a thief). There was also bitter resentment and hostility in the Congress party against V.P. Singh whom they regarded as a great betrayer. I had also noticed that in Parliament my greeting Rajiv Gandhi as leader of the opposition was not liked by many in the Janata Dal who felt that the new prime minister should have his own principal secretary and not a mole of his predecessor. I consulted my colleagues in the PMO as well as some senior service officers outside and they were all of the unanimous opinion that I should continue with the new prime minister as he himself had asked me to and perhaps wanted to send a clear message that he did not want to alienate the bureaucracy in general and upright bureaucrats in particular. Most of them were uneasy as there was a general impression that the new government would be making a complete sweep across the bureaucracy, shifting those who were supposed to have been close to Rajiv Gandhi's government and rehabilitating those who were seen to have been victimized. This was expected to be a highly subjective exercise and all the officers I had consulted were keen for me to continue to protect them from unnecessary harassment and also plead deserving cases with the prime minister.

It was on the cards that the cabinet secretary, T.N. Seshan, would be shifted. He had openly aligned himself with Rajiv Gandhi and was indiscreet enough to say so in public. As the seniormost civil servant he should have behaved with dignity and made it clear that if he was

to be shifted he would like to retire. It is rarely that a cabinet secretary is shifted before retirement. Even Indira Gandhi, when she came back to power in 1980, did not shift Nirmal Mukherji, who was appointed cabinet secretary by the Janata party prime minister, Morarji Desai, and allowed him to complete his tenure. My predecessor as cabinet secretary, P.K. Kaul, had been shifted, but by the same prime minister who had appointed him and who also gave him a plum posting as our ambassador to the United States. I was therefore disappointed at Seshan's behaviour. He not only did not offer to retire but became sycophantic. I was sorry to see him behaving in this undignified manner because I was also concerned with preserving the dignity of the post as I had once been cabinet secretary myself. I insisted that the prime minister should give an important position to Seshan. R.K. Hegde, the new deputy chairman of the Planning Commission suggested that he be made chairman-cum-managing director of some public sector undertaking which is the normal practice to accommodate chief secretaries of states who are shifted when a new chief minister takes over. I, however, suggested that he be taken as a member of the Planning Commission with the status of minister of state. Hegde was not too enthusiastic about this but ultimately Seshan was so appointed. With his usual intelligence and hard work Seshan made a good contribution to the Planning Commission and was well respected but we got reports that he not only maintained close contact with Rajiv Gandhi but also communicated to him official confidential information.

It was expected that Vinod Pande, who was seen to have been victimized by the Rajiv Gandhi government, would be picked up as cabinet secretary. I said that he might come in my place in the PMO as I did not want a cabinet secretary who was openly aligned with a prime minister and therefore become a point of controversy with the opposition in Parliament. This would have certainly affected the political and neutral image of bureaucracy in a democracy like ours. Pande, however, had made up his mind to become cabinet secretary which alarmed many bureaucrats as they thought he might be tempted to settle old scores.

It was widely believed that the new prime minister would like to cut the PMO down to size and also reduce its importance. It was generally felt that during Rajiv Gandhi's tenure the PMO had assumed undue importance and would also interfere with the work of other ministries and departments. During my first couple of meetings with

the new prime minister I made it clear that the PMO, at least during my time, was a purely professional body giving advice and service to the prime minister. We had no intention of appropriating the work of other ministries and departments. The so-called interference of the PMO was not by its civil servants but by non-civil servants and political appointees associated with the PMO.

I called my colleagues and explained that the PMO would have to be extremely careful not to give an impression that it was a powerful institution. Even then I knew that attempts would be made to bring in some of the new prime minister's men and shift some of the existing officers. The first attempt was to bring Deepak Nayyar in and shift Montek Singh Ahluwalia out. Nayyar was known both to the prime minister and Vinod Pande. He belonged to the Indian Economic Service, had previously been economic adviser in the commerce ministry but had resigned and joined the Jawaharlal Nehru University. He had leftist convictions and I did not want a doctrinaire economist working with me, especially when I was personally for a liberalized approach to economic development. I opposed this move and after some resistance the prime minister agreed and Nayyar was appointed chief economic adviser in the Ministry of Finance. Shankar Acharya, also an economic adviser, said he was senior to Nayyar in the Indian Economic Service. I promised to look after him and was able to send him to the World Bank.

Ahluwalia too believed in a liberalized approach to economic development. During Rajiv Gandhi's tenure I had asked him to prepare a paper on how to tackle the issue. He had produced an excellent paper which I discussed with Rajiv Gandhi. He agreed in general with the paper but said that we would examine this after the general elections. I showed this now to V.P. Singh to consider as we continued to face an economic crisis. He suggested that this be discussed by the secretaries' committee. This landed Montek in an unnecessary controversy and it was alleged that the World Bank was trying to impose its approach on the government through him.

We knew that a prime minister is fully justified in having people of his confidence in the PMO and were therefore not surprised that G. Parthasarathy, a foreign service officer who was handling press and publicity in the PMO, was shifted out and Bhure Lal brought in as joint secretary. Publicity and public relations was handed over as an additional charge to Ram Mohan Rao, principal information officer in the Ministry

of Information and Broadcasting. It was obvious that the new prime minister was slowly coming to appreciate the importance of the PMO and was quite impressed by its impartiality and non-interference. He must have also felt the need of such a body to take interest in the work that came to the prime minister and to render better and more effective service. After about four months he himself said that the PMO should be more assertive in the government without, of course, unduly interfering with its work. He was more than convinced of the PMO's importance during the Gulf crisis and also because of the other initiatives started by us.

Bimal Jalan, our director in the International Monetary Fund (IMF), was keen to come back as he felt he had been shunted out by the Rajiv Gandhi government. He rushed to Delhi when V.P. Singh took over and openly lobbied for the post of finance secretary to replace Gopi Arora, who was expected to be shifted as he was regarded as a blue-eyed boy of Rajiv Gandhi and whose name had also been mentioned in the Bofors controversy. I knew Gopi very well and did not want an efficient and loyal officer to be punished unnecessarily. The prime minister was also favourably inclined towards Gopi and I suggested that Bimal Jalan and he could exchange places. However, Gopi was afraid to leave India when inquiries and investigations were started by the new government. I advised him that it was much better for him not to be in Delhi and be a focus for action. Ultimately Gopi agreed to go and orders were issued accordingly. However, a whispering campaign was started by people near Rajiv Gandhi that Gopi was given a plum posting by V.P. Singh as he had agreed to disclose secret information from his tenure in the PMO with Rajiv Gandhi. I conveyed this to Gopi in Washington and suggested that he meet Rajiv Gandhi on his next visit to India and establish that this was just mischievous disinformation.

The director of the Intelligence Bureau, M.K. Narayanan and the director of CBI, Arun Mukharjee were shifted for obvious reasons. R.P. Joshi, an IPS officer from the UP cadre, was brought in as the new IB director and it was rather awkward that he was a close relation of Vinod Pande. For the CBI, Rajendra Shekhar, an IPS officer from Rajasthan was brought in because Vinod Pande knew him, but he was otherwise too a highly competent officer. I explained to the prime minister that Narayanan, the seniormost officer in the IPS cadre, was a good officer and we should not lose his experience. He was appointed chairman of the Joint Intelligence Committee in the cabinet secretariat.



However, as this would not have kept him busy, I started the practice of calling him to attend most of the meetings at the PMO with the prime minister when intelligence and general internal security matters were to be discussed. Over a period of time, however, it became apparent that the prime minister was not happy with Joshi's work as DIB. He started consulting Narayanan, and I was quite tempted to suggest bringing him back as DIB but he was not keen. I thought of bringing him to the PMO as security adviser, the post vacated by Garry Saxena, but this did not materialize.

Shukla, our ambassador to GATT, had been with V.P. Singh at the now famous Punta Dal Este GATT Conference in Uruguay. On his return to India he was posted to the health ministry but the prime minister was keen to use him in a different position. It was decided to appoint him commerce secretary to replace Amar Nath Varma, who was not too happy on being shifted as he had been doing good work there. I was in a fix to find him another equally important ministry. Industry was a natural choice but it would have meant shifting Otimia Bordia. This had to be done ultimately and she was shifted to the fertilizer ministry. She was naturally not happy with this shift and even more unhappy when she found it difficult to work with her new minister, Devi Lal. After some time, I suggested to the prime minister that she be appointed as member of the Union Public Service Commission (UPSC) and he agreed.

Vinod Pande was personally unhappy with N.C. Sengupta, the revenue secretary, who had succeeded him and would say that Sengupta was partial to the interests of the Reliance Group owned by Dhirubhai Ambani. He had the same grudge against H.K. Khan, the petroleum secretary. Both Sengupta and Khan were repatriated to their respective state cadres of West Bengal and Gujarat. R.L. Mishra of the IAS Rajasthan cadre was appointed revenue secretary and Madhav Godbole of the Maharashtra cadre as petroleum secretary. Godbole was a very competent officer and had earned a good name as finance secretary in the state. Incidentally, Godbole had also reportedly been in conflict with the Ambanis.

Girish Mehra was senior to Vinod Pande. He was a good officer even though he had received an adverse entry, unfairly given by his minister, Ajit Panja, when he was secretary, information and broadcasting. I requested the prime minister to give him some foreign posting as I had done with Roma Majumdar when T.N. Seshan was appointed

cabinet secretary. The prime minister agreed and in due course Mehra was sent as Indian high commissioner to Canada.

It was also quite apparent that the foreign secretary, S.K. Singh, would be shifted as the new foreign minister, I.K. Gujral, was not happy with him and because his alleged role in the St Kitts affair was also held against him. His colleague, Muchkund Dubey, started a campaign to oust him and take his position. I had been slightly prejudiced against Dubey because of my experience with him at Geneva when I went for ILO meetings and he was our ambassador. I expressed my reservations to the prime minister who did not clear the proposal. Later he asked my opinion again and I agreed as it was affecting the working of the ministry. I suggested to the prime minister that we give S.K. Singh a governorship, but this did not materialize because he wanted either a major state or to be near Delhi where his sons were studying and neither could be worked out.

The friction between Sam Pitroda, the chairman of the Telecom Commission and his minister, Unnikrishnan, came into the open very early. The minister went to the extent of appointing a one-man commission comprising K.P.P. Nambiar, former secretary, Department of Electronics, to look into the working of C.DOT (Centre for Development of Telematics). There was no love lost between Sam Pitroda and Nambiar and therefore the outcome of the inquiry was a foregone conclusion. When I informed the prime minister of the friction between the minister and the secretary and said that we should not permit victimization of Pitroda he agreed. I told Pitroda not to take any precipitate action as the prime minister may be appointing a new minister of communications. Pitroda stoically bore the onslaught of Unnikrishnan till Janeshwar Mishra replaced him.

A new prime minister always reconstitutes the Planning Commission. Abid Hussain had ceased to be a member of the Planning Commission but he was a good and competent officer. I knew him well and also knew that he was keen to get a foreign posting as his son was already abroad and he wanted his daughter to go there too. The high commissioner's post in London was falling vacant and I suggested Abid's name to the prime minister who was quite favourably inclined as Abid had done excellent work as commerce secretary. However, he thought Washington would be a better slot for him as Abid, being a Muslim, would be a favourable factor for us. He was therefore sent to Washington as our ambassador.

Vijay Atal had been holding the charge of chairman and managing director of the State Bank of India – which he fully deserved – for quite some time but had not been given it as others were trying to get it through political pressure. I explained this to the prime minister and he readily agreed to confirm Atal as CMD.

A.S. Thind had been appointed chairman of the Central Board of Direct Taxes (CBDT) in a most flagrant way by the previous government. It was common knowledge that R.K. Dhawan had been behind this. The new prime minister therefore rightly reversed this and Pandey, who had the best claim to the post, was appointed chairman of the board.

The Appointments Committee of the Cabinet (ACC) had cleared the appointment of Captain Radhakrishnan as chairman of the Shipping Corporation of India where J.C. Seth had been officiating. Unnikrishnan, who was holding charge of the Ministry of Shipping, wanted to favour Seth and therefore did not allow Radhakrishnan to take over. I suggested to the prime minister that the minister must accept the ACC's orders, but somehow Unnikrishnan got away with it.

Two home secretaries were shifted and I was somehow involved in both these transfers. Kalyan Krishna was home secretary when V.P. Singh became prime minister. Within a few days, home minister Mufti Mohammed Sayeed's daughter was kidnapped by Kashmiri militants. At a meeting in the PMO, the prime minister asked Mufti Saheb why no protection had been provided to his daughter when there were IB reports – which I had shown him – that kidnapping of relations of important Jammu and Kashmir personalities was highly likely. Mufti Saheb said that he had not seen any such report nor had the home secretary briefed him about this. The prime minister was naturally upset with the home secretary about whom he had had some reservations when he was chief secretary of Uttar Pradesh. There was another incidence where the home secretary did not react instantly to an emergency situation following which the prime minister said that he should be shifted. I suggested that he be shifted to UPSC as a member as this would ensure that the home secretary did not seem to be victimized. His successor Shiromani Sharma, chief secretary of Uttar Pradesh, had been sent back to the state from the Ministry of Textiles when Kalyan Krishna was brought to Delhi as home secretary. I thought Shiromani was not suitable as India's home secretary and he himself was rather uneasy with his new appointment. The prime minister too started feeling that this appointment had been a mistake, especially

when the Ayodhya issue started boiling up. One day the prime minister sent Bhartiya, a Janata Dal MP, to me late at night to vet a statement to be issued on Ayodhya. Next day when some journalists asked Shiromani if the statement had been cleared by the prime minister he flatly denied it, instead of first ascertaining the fact from us. The prime minister was naturally upset and said that Shiromani would have to be shifted. Vinod Pande suggested he be replaced by S.K. Mishra who I said was not suitable and also not in good health. I suggested Naresh Chandra, the defence secretary, who was fully conversant with the internal security scenario of the country as well as the external threats to it, but he was unwilling. I told him not to refuse as he was in the run for cabinet secretary in due course and the home ministry was a good stepping-stone for this purpose. His brother, Garry Saxena, also advised him accordingly. The prime minister agreed and Naresh was appointed home secretary.

Vinod again recommended S.K. Mishra's name for defence secretary but I again did not agree and for the same reasons as for his unsuitability as home secretary. I said that Narendra Vohra who was secretary, defence production, would be a good choice. Vinod thought that he was not senior enough for the post but the prime minister agreed with me. There was a proposal to shift Manohar Singh Gill from the Ministry of Petroleum and Chemicals for no given reason, so I opposed it.

Hasmukh Shah, chairman and managing director of Indian Petrochemicals Limited (IPCL), came to me very uneasy and upset as messages had been sent to him regarding normal dealings with the Reliance Industries. IPCL did routine business with Reliance as both dealt with the same product range and there was no question of showing them any favour or receiving anything from them. The government was enquiring into the affairs of Reliance and the *Indian Express* was actively pursuing the matter. Both V.P. Singh and Vinod Pande had taken a personal interest in this case. I told the prime minister that the government's action against the Ambanis should not be allowed to colour the normal commercial activities of a PSU nor allow the head of that PSU to be harassed. He agreed with me and I reassured Hasmukh.

Dr L.P. Sihare, director of the National Museum, said that action was being threatened against him for certain alleged lapses because of his close relationship with Rajiv Gandhi's family. Interested in the restoration of old paintings, Sonia Gandhi used to frequently come to the National Museum and she was naturally given all help. I told him

not to worry, and spoke to the secretary (culture) not to take any action against Sihare if at all it was so contemplated.

When V. Krishnamurthy's term as chairman of the Steel Authority of India Limited (SAIL) was coming to an end he wanted an extension but this was not being sanctioned. He apprehended that this was because his integrity was doubted due to his so-called proximity to the Gandhi family. After making inquiries I told him that the government thought there should be a change of chairman of SAIL and there was nothing against him as such.

We had agreed to export iron ore to Japan but the press started a controversy that rich iron ore was being exported at the cost of production of steel in India. The commerce ministry was obviously upset and I was told to take action against Venkateshan, the steel secretary, as it was alleged that he had leaked out the item to the press. I told the prime minister that we would have to take action against the cabinet secretary as well for briefing the press informally on so many subjects such as St Kitts and purchase of A-320 aircraft. This closed the matter.

Arjun Sengupta, who was with the UNDP, was due to return and the prime minister, who had a good opinion of him, had him appointed ambassador to the European Community at Brussels to replace G.V. Rama Krishnan, who tried to come back in my place at the PMO but the prime minister did not approve of this. R.N. Malhotra, governor of the Reserve Bank of India (RBI), was completing his term in February 1990 and I indicated to the prime minister that I would like to go in his place. The prime minister's reaction was favourable but he wanted time to think it over. Eventually he did not agree to relieve me and Malhotra was given an extension. The position of chairman of UPSC fell vacant and I was asked if I was interested but I declined. (I have mentioned elsewhere how I refused a cabinet ministership offered to me by Sharad Pawar, chief minister of Maharashtra.)

On the whole, even though my colleagues in civil service were rather apprehensive about the new government, the prime minister, by his various decisions, slowly gained their confidence and secured their full loyalty. The fact that he retained me as his principal secretary even though I had held the same post with his arch opponent Rajiv Gandhi, sent a clear message that the new prime minister would try to be fair. Of course he had to rehabilitate those civil servants who, according to him, had been victimized by the previous government, like Vinod Pande,

Bhure Lal and S.V.S. Raghavan, who was removed from service during Rajiv Gandhi's tenure as he was viewed as pro V.P. Singh. Conversely, he had to remove those civil servants, like A.S. Thind, who, he thought, gained their positions through favouritism by the previous government. But this was taken in the right spirit by the civil service. The only jarring point was Vinod Pande's own preferences and prejudices and it was unfortunate that he did not mind making them obvious. Often I was able to step in and ensure that no injustice was done and the civil servants were happy, though it must be said that there was a sense of uneasiness among them as Vinod was not only the cabinet secretary but also the head of the civil service and had the full confidence of the prime minister.

# 23

## Political and Financial Matters

### External Affairs Ministry

*I*NDER KUMAR GUJRAL BROUGHT GREAT DISTINCTION AND DIGNITY TO the external affairs ministry. This was not only because of his previous experience in the field but also because of his standing in the Janata Dal. He wanted a foreign secretary of his choice as he did not have a good rapport with S.K. Singh even though he was an experienced and competent hand. He was a Rajiv Gandhi appointee and had allegedly allowed the ministry's machinery to involve V.P. Singh and his son in the St Kitt's affair. Muchkund Dubey, the next seniormost IFS officer, started lobbying for the post and was also banking on Yashwant Sinha, an MP from the ruling party from Bihar of fair standing. But Sinha did not join the Council of Ministers as he was offered the rank of only a minister of state. I expressed my reservation to the prime minister about Dubey being a highly opinionated civil servant with a short temper. The prime minister after some time asked me to reconsider my view and I could not stall his appointment any further. Nonetheless, there were a couple of skirmishes between us. In a meeting of the Cabinet Committee on Political Affairs when I challenged his views, he flared up in the presence of the prime minister which was in bad taste. On our way back from Russia, the prime minister, Gujral, Dubey and I were discussing GATT matters. My argument was that we should be more practical and take a position in the light of our economic standing on the global stage. Dubey again flared up and said that India was a big

country and no nation could push her around. He then cited Krishna Menon as an example. Gujral and he seemed to have common views about the US and other Western countries, and had a soft corner for Russia and other socialist countries. This became clear when the Gulf war broke out in mid-1990 and here the external affairs ministry, apparently under the leadership and guidance of Gujral and Dubey, took an extreme view. I was aghast when I read a communication to all our ambassadors indicating that the Gulf crisis was the creation of Western imperialism to control the supply of crude oil to the world. This was an unabashed leftist view of the ministry apparently shared by the minister himself. It was surprising how personal convictions could override national interest. We were all further stunned to hear the minister's announcement in Kuwait that our ambassador and almost all his staff would be shifted out from Kuwait giving an impression that we had decided to close our embassy there. Abid Hussain, our ambassador in the US, frantically called me to check. We at the PMO were of the view that even though under the Rules of Business it is the Ministry of External Affairs that looks after our relations with foreign countries, in the prevailing scenario these relations had become vastly pervasive, covering almost all activities of the government, and the ministry could not impose its views unilaterally. Unfortunately, this is what had happened and the ministries vitally involved with the affairs in the Middle East were not fully consulted. The finance ministry was involved because the country receives vast amounts of foreign exchange remittances from Indian nationals abroad as also because of our huge import bill of crude and petroleum products; the home ministry because of the Muslim opinion in the country as also Saudi Arabia's active interest in the Muslim community; the defence ministry because the West Asian theatre is sensitive from India's security angle as also because of Pakistan's military interest in that area; and most important the Ministry of Petroleum and Chemicals. After strongly representing to the prime minister against the policy and steps of the external affairs ministry we were allowed to carry out a damage-limiting exercise.

Then arose the question of permitting American military aircraft to fly over India from the east to the West Asian war theatre. By this time the Gulf war had become a UN affair and therefore even though the planes were American they were on UN duty. The external affairs ministry resisted this proposal as it would mean India's indirect involvement in the war against Iraq. But denial of permission for



overflight could be interpreted as non cooperation with the UN and this would not stop the US planes as they could make a southward detour via Sri Lanka and then northwards to West Asia. However, better sense prevailed and we permitted US aircraft to fly over India.

There was an interesting sideshow. Our naval attaché in Washington wanted to know whether we would spare a minesweeper for the American navy as some parts of the Persian Gulf were heavily mined by Iraqis and others. The background was amusing. Our naval chief on a courtesy visit to the US had wanted to take some gift for his counterpart who was in the habit of collecting admirals' caps from navies of various nations. As our naval chief had not been able to present the cap personally he had left it with our naval attaché with a request to call on the American naval chief and present it to him. Our naval attaché was given an appointment and while he was waiting to be called in, the aide of the American naval chief told him that an important meeting<sup>2</sup> was going on to try and resolve the difficulty, despite all their high-tech gadgets, in locating and neutralizing the mines in the Persian Gulf; this was causing them great anxiety because it was affecting free movement of naval ships including submarines. Our naval attaché in all innocence thought aloud that this ought not to be an impossible task for a minesweeper! The American aide is reported to have exclaimed, 'But it never occurred to us to use such a simple device. In any case since we do not have these minesweepers now, will the Indian Navy lend us one?' The American naval chief endorsed this request. And this was how the request landed on my table. Of course I said that we should politely say no as we did not want to get directly involved in the Gulf war, but we could suggest that the British navy may have a minesweeper in mothballs. This shows how a high-tech military apparatus like that of the US sometimes does not think of simple means and gets flummoxed. I also remembered how the US intelligence network was outsmarted by its enemies because the Americans depended heavily on advanced technological gadgets, completely forgetting that simple human resources cannot be disregarded.

In April 1990 I went to the US to attend the Indo-US Business Council meeting. I was told that the proposal of Pepsi Cola was pending clearance with us and it would be a good gesture if this was done before the meeting. I thought that there was no reason for holding it up and pleaded with the prime minister who asked Sharad Yadav, the minister concerned, and Pepsi-Cola was given permission for its product, but

under the name of Lehar Pepsi. This created a good atmosphere in the Business Council meeting. The major issue there was the Trade Related Intellectual Property Scheme (TRIPS) advocated by GATT. We, and some other developing countries, were opposed to it as inventions and patents are so cost intensive that this would automatically create a monopoly for the more advanced and prosperous countries. TRIPS would therefore be harmful to the interests of the developing countries especially in the pharmaceutical sector as it would make new medicines out of reach for the common man. India had another difficulty of its own. We recognized patenting the process but not the product. Our pharmaceutical companies had therefore been able to change the process, but not materially, and then give another name to the product. The medicines produced in India were therefore far cheaper than those available in countries where they have patent protection. Pharmaceutical companies from the developed countries and especially from the US were bringing pressure on us to amend our Patents Act. I thought we would not be able to resist this pressure and should work out a *via media*. We should be provided a reasonable time period for giving patent protection to products and be empowered to lay down that a foreign company claiming such a patent product right should be compelled to start production in our country within a prescribed period. Further, pharmaceutical products that are of mass consumption by the poor, as also those that are needed to control epidemics and other widespread diseases, should not enjoy patent protection and could be prescribed by the World Health Organization. However, the Indian representatives of pharmaceutical companies who had come for the council meeting were not in favour of this approach and took a rigid attitude. Kendall, a senior representative from the US Business Council, sought my offices to sort out this issue but I could not do much. When the US under secretary for commerce raised the issue with me I could not resist the temptation to question him on the US restriction on movement of highly skilled labour and said this should also be covered by the services sector for which the US government was lobbying in GATT. I did not expect any reply from him but his silence was eloquent.

On my way back I stopped at Bonn in West Germany. It was important to us mainly for economic reasons and the PMO was advised to establish direct contact with the secretariat of chancellor Helmut Kohl. With our ambassador I called on Teshnick the head of the chancellor's office. We had a lively and detailed discussion as he wanted

to be briefed on the conditions in India and seemed sympathetic towards our interests.

At the end of July, I accompanied the prime minister and his party on his visit to Russia. Some very senior Russian officials called on him as they had realized that the present Russian government, and future ones, would reduce allocation of funds to the military establishments and they were keen on finding ways of keeping the armament industry intact. They therefore wanted to know whether India would continue to place adequately large orders for Russian armaments and indicated that they would offer more favourable terms.

I had not visited Russia and Eastern Europe and was keen to make a trip there with my wife before the prime minister's visit to Russia was finalized. Gujral was not too happy with this as he thought that only officials of the external affairs ministry should undertake such visits and that a visit by the principal secretary to the prime minister would be a reflection on the ministry's role. I knew that he had taken umbrage at the visit of his colleague, the commerce minister Arun Nehru, to Russia before he himself had been there. I told him, as also the prime minister, that I would be going on a personal visit and would not need clearance from the external affairs ministry. Gujral relented and I therefore went on official tour. Of course, my wife was on her own though accompanying me.

### **President's Rule in Karnataka**

In 1989 Virendra Patil was given the charge of Karnataka by Rajiv Gandhi to revive the fortunes of the Congress. The assembly elections were scheduled for December with the parliamentary elections. Patil did an extremely good job – the Congress won 180 seats of the 225 seats in the assembly. This was a big blow to the Janata Dal as the party was banking heavily on winning a good number of seats from the south and being able to form a government on its own at the centre.

However, as was the usual practice, the Congress president did not allow the state leadership to become strong as he was always afraid of losing control over the states. Rajiv Gandhi proved to be no exception. He kept Patil under strict control, foisting on him people who opposed him and were loyal to the Congress president. In October 1990 Patil had a heart attack. Rajiv Gandhi thought that Patil was not fit to lead the government and on a visit to Bangalore he made a surprise

announcement at the airport on departure that another Congress leader would be appointed as chief minister. Sure enough about 140 dissident Congress MLAs openly expressed no confidence in Virendra Patil. For the Janata Dal government at the centre this was a god-sent opportunity to fish in troubled waters. Though Virendra Patil was not defeated in the assembly, the governor was asked to send a report for imposing President's Rule for a short period. When this was discussed in the cabinet I told the prime minister that this would be unfair to the Congress party in general and to Virendra Patil in particular as a split in the party was a purely internal matter for them to sort out among themselves. At most the governor could ask Virendra Patil to prove his majority, or ask the Congress to elect a new leader. I also said that we should not help Rajiv Gandhi in removing Virendra Patil as the latter had refused to oblige him by not stepping down. But I found that Gurupadswami, the minister from Karnataka, was pressurizing the prime minister, who was willing to oblige as the Janata Dal wanted to settle scores with the Congress in Karnataka. Even the president was not happy with the cabinet decision and called the prime minister himself for an explanation, but he had to approve it as he was bound by the cabinet decision.

### Financial Matters

The finance portfolio was being handled by Madhu Dandavate. We were really passing through a crisis that needed not only firm handling but certain hard decisions. The prime minister told Dandavate that the first new budget should reflect the real situation of the economy and there should be no fudging of the actual deficit in the budget. This had a somewhat unintended effect. Dandavate, in Washington to attend a World Bank meeting, made a statement that the government had inherited an empty treasury. We at the PMO thought that such a statement by the finance minister might seriously affect our ability and manoeuvrability to get financial aid on favourable terms from lending agencies. We had therefore to undertake damage-limiting exercises.

To be fair, Dandavate was given a very tough job. The economy was in really bad shape, especially on the foreign exchange front. In the PMO we thought of advising the prime minister to go in for sovereign borrowings as our informal enquiries indicated that we had a favourable image to raise substantial amounts. I consulted Ramu Malhotra,

governor of the Reserve Bank of India, but he cautioned me against this step as there was no guarantee that the government would not use these borrowings for populist schemes and projects instead of for bolstering the economy. In a meeting with the prime minister on this subject, we both opposed sovereign borrowings and the finance secretary was asked to revalue our foreign exchange assets in the light of our Special Drawing rights with the IMF and revaluation of our gold stocks from their historically old valuation.

The scheme of writing off loans from farmers created a piquant situation. The government issued implementation orders, obviously under pressure from Devi Lal. His argument was that 'this was one of the items in the election manifesto of the Janata Party and it would, therefore, have to implement it'. We were surprised how V.P. Singh, a successful finance minister himself, could have agreed to a *prima facie* unviable scheme that was sure to have a domino effect on the entire credit programme. His explanation was startling. He said that, 'I agreed to this inclusion in our election manifesto because we never thought that we would form the next government and have to implement it.' After government orders were issued for write-off of loans of Rs 10,000 Devi Lal argued that this should be applicable even to larger loans by restricting the write-off to the first Rs 10,000. Mercifully this was not agreed to.

The finance ministry tried to fudge the issue by making a small provision for this in the budget. But the secret came out. The governor of the RBI complained of the unbearable burden on the banks and the cooperative societies of not less than Rs 10,000 crore. Ultimately this would have to be borne by the government and the small provision in the budget was thoroughly misleading. When the prime minister was told, he was also worried.

Devi Lal's advocacy for farmers imposed another heavy burden on the economy. Every year the government announces the purchase prices for cereals, rice and wheat, and other agricultural products by the Food Corporation of India. That year the government increased the wheat procurement price rather steeply, much more than recommended by the price-fixation mechanism. There was euphoria in Devi Lal's constituency in the Jat countryside of Punjab, Haryana and western Uttar Pradesh. But this only added fuel to the prevailing inflation.

When the budget is framed, both the Central Board of Direct Taxes and the Board for Customs and Excise give figures for the next year's collection. Obviously the revenue secretary tries to squeeze as much as

possible to help the finance minister present a healthy budget. But this is within limits and not unreasonable and impractical which would result in larger deficits when the budget is acted upon afterwards. In that year's budget, however, the estimates for receipts, for direct and indirect taxes, were pushed up to obviously unattainable limits. The Bombay region contributed the maximum amount of direct taxes to the treasury and almost all the commissioners of income tax complained to me that these unreasonable estimates would have an undesirable side-effect. The income tax officers would be under great pressure to achieve the targets based on the budgeted figures and pass unreasonable assessment orders causing harassment to the taxpayer. The income tax officer in all honesty tells the aggrieved taxpayer that he has been compelled to pass such an order only because he has to achieve targets, knowing full well that it would be set aside in appeal. I explained all this both to the finance minister and the prime minister and hoped that the finance ministry would pass the necessary administrative orders not to cause any harassment to taxpayers. Vinod Pande was quite successful in getting his ideas accepted in the budget for a minimum tax proposal and taxing profits of private partnership firms.

Because of the rise in crude oil prices we seriously considered increasing diesel and petrol prices. Madhav Godbole, the petroleum secretary, made a strong and convincing case and took administrative measures to control the use of both petrol and petrol goods by consumers through restricting the opening hours for diesel and petrol pumps and other steps. But this created long queues at petrol pumps. The prime minister was not in favour of a price increase as he remembered his first budget, in 1985, when he was forced to withdraw the increase levied by him on LPG cylinders and also because it would alienate the constituency of the Janata party in the urban middle class, many of whom use two-wheelers. In the CCPA meeting on 7 September, the prime minister was really angry with the petroleum ministry and made highly critical remarks about the management of the situation. The minister, Gurupadswami, kept quiet but Godbole, upright officer that he was, gave notice of premature retirement. Vinod Pande asked me to plead Godbole's case with the prime minister. I explained to the prime minister the effective steps taken by Godbole and said that he had been unnecessarily harsh on the latter. He asked me to convey to Godbole his real feelings and request him to withdraw his letter of retirement. Fortunately, Godbole could be so persuaded.

A desirable step taken by the finance minister was revising the procedure for nomination of non-officials on the boards of directors of nationalized banks. All governments misused this privilege by nominating their party workers and sympathizers and others who had helped the party. The names would reach the PMO through the finance secretary and the finance minister. When I was in the PMO the file was given by Rajiv Gandhi to Sheila Dixit to ensure that the appointments were in the party's interest. The finance minister now constituted a selection committee chaired by the governor of the RBI. The committee laid down that if the finance ministry or the finance minister did not accept the recommended names, the reasons were to be recorded on the file before it was sent to the PMO and a time limit was also prescribed for this. This made the procedure much more transparent.

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## Controversial Issues

### Admiral Jain's Case

ADMIRAL P.G. NADKARNI, THE NAVY CHIEF, WAS TO RETIRE IN NOVEMBER 1990. The practice in the defence services is to finalize the name of the next chief well in time, at least two months in advance, hence it was being discussed in naval circles and also in the defence ministry from the middle of 1990.

Vice Admiral S. Jain was Fleet Officer Commanding-in Charge (Western Command), the seniormost command in the navy. He was also the seniormost vice admiral and would have normally succeeded Admiral Nadkarni, but he was going to retire before him as his tenure as vice admiral would be over. According to the rules he would retire at the end of the tenure if he was not promoted to the next higher grade of admiral before that. This was unfair to him as he had been promoted as vice admiral out of turn on account of his excellent performance and record. Otherwise he would have become vice admiral later and been in the field of promotion as admiral. It was generally felt that to deny him the grade of admiral and naval chief would be unfair and it was suggested that he be given extension of tenure as vice admiral, especially since he was also below the age of superannuation.

Next in line was Vice Admiral Laxmi Narayan Ramdas, who had been planning to become the naval chief after Admiral Nadkarni. But Admiral Nadkarni had submitted a note directly to the prime minister for granting extension to Admiral Jain, and after the clearance, sent a regular proposal that I saw as an ACC case.



In the meantime, the situation was muddled because of Admiral Vishnu Bhagwat, Vice Chief of Staff at Bombay. He was a good officer and expecting his promotion as Fleet Commander. Admiral Nadkarni, however, had a poor opinion of him and did not recommend his name for promotion. But Raja Ramanna, minister of state in the defence ministry, disagreed with Admiral Nadkarni and recommended him. My joint secretary (Bhure Lal) noted that the prime minister could call both Ramanna and Nadkarni and decide and I endorsed this view as according to navy regulations promotions to this grade could be made only on the recommendation of the chief of naval staff. The prime minister agreed with Admiral Nadkarni and Bhagwat was denied his promotion.

Admiral Bhagwat filed a writ petition in the Bombay High Court. His wife, a lawyer, represented him. The application contained all sorts of allegations against almost all senior naval officers except Admiral Ramdas. Neither was I spared as he alleged that I had overruled my joint secretary and recommended that Bhagwat not be promoted. Allegations against Admiral Nadkarni included tampering with Bhagwat's confidential report (CR). Of course, Admiral Jain was also vilified as he was Bhagwat's immediate superior. Most of the newspapers gave the matter wide publicity as it involved senior naval officers. *Blitz*, the Bombay weekly, went out of its way to highlight Bhagwat's case presumably because his wife knew the editor.

At the same time, inspired rumours were circulating of serious allegations against Admiral Jain for moral turpitude. The timing of this was significant as he was under consideration as the next naval chief. There was a suggestion that Admiral Ramdas himself was involved with Bhagwat as both of them wanted Jain out and Ramdas in. I asked the defence secretary about these allegations and his version regarding them. Telephone calls had been made by Bhagwat from Bombay to Ramdas to show that both of them had conspired together. There were also some allegations against Ramdas regarding his integrity.

In due course the file regarding appointment of the next naval chief came to the Prime Minister's Office. We made a fair assessment of both Jain and Ramdas, highlighting their positive as well as negative points and then left the matter to the prime minister. We noted that:

- i. The defence ministry knew well in time the charges made against Jain and it could have recommended an extension to Admiral Nadkarni till the inquiry was completed.

- ii. The defence ministry could have ignored the names of both Jain and Ramdas and recommended the next senior admiral who had been allowed to retire but could have been given extension. The next senior vice admiral could not be considered for promotion as he did not have fleet experience.
- iii. Since both these options were not available the selection of Ramdas may be considered. Even then the prime minister should call him and orally caution him to carry with him all the senior officers without being vindictive to the so-called 'Jain faction' in the navy.

The prime minister approved the selection of Admiral Ramdas as the next naval chief.

While all this was going on Admiral Nadkarni suddenly transferred Bhagwat to Delhi without informing us and recommended that his services be terminated under the relevant provisions of the Navy Act, especially because of the wild allegations made by him.

Admiral Jain was to retire by end-December 1990. He had met me and said he would like to retire if he was superseded by Ramdas but apprehended that his supercession may be linked to the allegations made by Bhagwat. I sympathized with him. When Chandrashekhar took over as prime minister, Admiral Ramdas's appointment had been notified but he had not taken over. I briefed him fully about the Ramdas case. He tried to reopen the case and push through Jain's name, but did not succeed in doing so. Admiral Jain retired at the end of the extension given to him and not earlier. Admiral Ramdas told me that when he visited Bombay as the naval chief he showed special courtesy to Admiral Jain.

### **The Airbus A-320 Case**

In 1983 Indian Airlines was planning to purchase new aircraft because of the increasing air traffic. A committee appointed with Air Marshal Dilbagh Singh as chairman recommended purchase of twelve wide-bodied Boeing 757s. The letter of intent was issued to the Boeing Company in July 1984.

There was a complete change in the scenario when Rajiv Gandhi took over as prime minister in October 1984. An unsolicited offer was received from the Airbus Industries, France, for Airbus 320 which at that time was at the drawing-board stage. Indian Airlines decided in August 1985 to acquire nineteen aircraft and to take option for twelve

more of the Airbus 320 type. A letter of intent was issued in September 1985 and the purchase agreement for nineteen aircraft was signed in March 1986. The purchase agreement for an additional twelve aircraft was signed in June 1989.

An Airbus 320 crashed in Bangalore in February 1990. But even before this, there were serious apprehensions about the trustworthiness of this aircraft because one had crashed at the Paris Air Show while on a test flight in June 1988. The French Pilots' Association had openly challenged the inquiry report. Even the Indian Commercial Pilots' Association had represented in October 1988 that the maintenance infrastructure was not fully ready in the country and the reliability of the aircraft was yet to be proved conclusively.

Because of his experience with the HDW submarine purchase, as also with the Bofors affair, V.P. Singh and his colleagues thought that the purchase of A-320 aircraft had certain inherent undesirable aspects and some kind of kickbacks must have taken place. The note of S.S. Sidhu, who was secretary civil aviations, when the A-320s were purchased, on the file of the civil aviation ministry also could not throw any light on why and how the decision to purchase Boeing 757s was modified to purchase A-320 aircraft. In this connection Rajiv Gandhi's visit to Paris accompanied by Satish Sharma in 1985 to attend the air show attracted government's attention. Both of them had shown a keen interest in the A-320 aircraft model and it was rumoured at that time that its purchase was almost coming through.

A committee was appointed by V.P. Singh's government under the chairmanship of Air Marshal S. Ramdas to inquire into the air crash at Bangalore and a decision was taken to ground all A-320 aircraft till the enquiry was completed. Among the major causes of the accident the report identified lack of adequate pilot training and inadequate maintenance facilities. The question was asked why the aircraft could not be put back into service after taking the steps recommended. Ganeshan, the civil aviation secretary, was fully satisfied with this approach as these aircraft were being used elsewhere in the world. The prime minister, however, had ordered another enquiry about the technical soundness of the aircraft, and he was adamant that it could not be permitted to fly till this report was received, for which the period of the committee could be extended if required.

I suggested to Ganeshan that they ask the cabinet to permit flying the A-320s for external services like those to Pakistan, Bangladesh, etc.,

as they were being used by foreign airlines too. When the matter came before the cabinet, Arif Mohammed Khan, the civil aviation minister, asked why we should not permit internal use of the aircraft without waiting for the committee's report. The prime minister refused.

In the meantime one of the A-320s that was being brought to India from France was used for evacuating Indian refugees from West Asia during the Gulf war. It was therefore again argued that use of the aircraft should be permitted. This was forcefully argued by the external affairs minister and the commerce minister and supported by the finance minister. The prime minister reluctantly agreed with them. The only restriction was that these flights should be from and to Hyderabad where the maintenance base of the aircraft was located.

When the CBI registered a criminal case for investigation, Sidhu's note became an important document. This was published by some newspapers and I was told that a copy of the note was handed over by the cabinet secretariat itself to the press. I told the prime minister that this was not proper.

Sidhu at that time was secretary general of the International Civil Aviation Organization (ICAO) in Montreal. His term was to expire in July 1992. He claimed diplomatic immunity as the ICAO was an international body. He came to India and argued his case with us saying that he was the only Indian heading an international agency at that time and the government should therefore not involve him in criminal case. Though I sympathized with him, we could not do much, as a criminal case had already been registered. Letters rogatory were also issued to the UK, France and the US in October 1990. Satish Sharma's name was mentioned in them. There was a strong perception that the Boeing company, the losing competitor, had a big hand in raking up the controversy but I did not find much basis for this.

I think the V.P. Singh government handled this affair in a most clumsy and unimaginative way. Though at the drawing-board stage, the introduction of the A-320s was a quantum jump for Indian Airlines. The basic technical superiority of the aircraft was unquestioned. It certainly had some teething troubles but we also received preferential treatment. Our main mistake was that we did not plan and create in time the necessary maintenance infrastructure or the facilities for training pilots. When it was introduced, even the boarding ladders were not ready. The fly-by-wire aircraft was technically highly advanced, and Rajiv Gandhi

rightly thought that we should take this leap and upgrade the airline's fleet to meet future challenges.

To ground the entire fleet only to get a reliability report from a committee that was not fully competent to do this was a blunder and it lost us much international goodwill in aviation circles especially in France. The general impression there was that the government was using this issue only to settle some domestic scores. This was especially apparent when the aircraft was used for ferrying our own nationals from West Asia to India during the Gulf war, and on restricted routes domestically. Grounding such a large number of aircraft caused the airline to suffer heavy losses which were compounded by not exercising the option of purchasing more aircraft to increase the airlines fleet capacity. This was a mortal blow to the airline for which it had to pay dearly.

I am convinced that no kickbacks were received either by Rajiv Gandhi personally or by the Congress party. To that extent there is some truth in the allegation that this issue was used to settle some domestic scores.

### HBJ Pipeline Case

When Rajiv Gandhi was prime minister the scandal regarding commission paid in the HBJ pipeline project had surfaced. The contract was given to a Japanese company, Sumitomo, which reported to the government that it had given commission to Sagar Suri for getting the contract. But it could not tell why commission was given to Suri who was in no way connected either with the project or with any technical, financial or administrative consultancy as such. There were all sorts of rumours as Suri, a Delhi businessman, was supposed to be very close to the Gandhi family and Satish Sharma.

When V.P. Singh took over in 1989, this matter had of course assumed a high profile. Vinod Pande, cabinet secretary, persuaded Gurupadswami, the petroleum minister, to blacklist Sumitomo till it gave the name of the intermediary who advised it to pay commission to Suri. This created an embarrassing position as Sumitomo was one of the leading Japanese conglomerates and had an increasing interest in India. We also did not want to lose Japanese goodwill in our financial dealings with them and other international financial institutions. The PMO was therefore asked to intervene. I knew the Japanese ambassador very well and asked him to work out a solution to the problem with Ronen Sen, my joint secretary, and I approved the following *via media*.

The Oil and Natural Gas Commission (ONGC), which owned the HBJ pipeline, and Sumitomo would agree to refer the dispute of payment of commission to arbitration by a body consisting of nominees from both parties. Sumitomo would keep in an escrow account in Japanese currency the amount of commission given. I would instruct the ONGC nominees to fix the amount of compensation to be given to ONGC equal to the amount deposited in foreign exchange. The Sumitomo nominees would also suggest this. I thought that this would be a fair solution to the problem. ONGC would get even more than it lost in the commission amount in view of the appreciation of the yen vis-a-vis the rupee. I asked both Vinod Pande and Godbole, petroleum secretary, to remove Sumitomo from the blacklist the moment they agreed to this arrangement. Pande and Godbole were not happy about this and said Sumitomo should first give the name of the Indian intermediary, citing the Bofors experience. I said these two cases were not comparable as Sumitomo had on its own told us that they had paid commission to an Indian party, while Bofors, on the contrary, had denied having paid any commission and was not willing to give the names of the agents who received the commission.

The commerce minister, Arun Nehru, was to visit Japan and he wanted this case to be finalized before his visit. I persuaded the government to accept my approach, which was fortunately done. Suri's case was decided by Narasimha Rao's government later.

### St Kitts Affair

In August 1989 the *Arab Times* of Kuwait published a news item that an account had been opened in the First Trust Corporation Limited, St Kitts, in the name of V.P. Singh's son, Ajay Singh, and V.P. Singh was shown as the beneficiary. Large amounts of US dollars were deposited between September 1986 and March 1987 and the account was closed in February 1988. This was the beginning of the whole shoddy affair that came to be known as the St Kitts case. The FIR filed when the V.P. Singh government took over brings out in great detail how this notorious case was set up and by whom.

In the first week of October 1989, Gopi Arora, the finance secretary, said that the minister of state, Eduardo Faleiro, wanted to lay on the table in Parliament various documents in the case but he was not happy with this as their genuineness had not been properly verified till then.

I spoke to Faleiro and said this would not be proper unless we were fully satisfied about their genuineness, but he went ahead and placed the documents apparently after getting clearance from the Prime Minister's House.

V.P. Singh told me that he had struck off the name of P.V. Narasimha Rao, which the CBI draft report had contained in the FIR. After it was filed the newspapers published the telegrams sent from the external affairs ministry to our embassy in the US. As it was an exact copy of a secret external affairs ministry telegram originally sent in coded language, it meant that the code could be breached. With the prime minister's approval I asked the ministry to ensure that the publication of this telegram did not compromise the secrecy of the code.

This was the most dishonest act of the government and obviously an act of vengeance against V.P. Singh for the audacity shown by him in challenging Rajiv Gandhi. It was, however, so clumsily structured and carried out that it could only boomerang on the Congress. Rajiv Gandhi's admirers of course said it was conceived and carried out by crafty politicians without his knowledge or clearance, but this was difficult to accept as Rajiv Gandhi neither condemned the affair nor tried to stop it when he first came to know of it.

## Mandal Commission Recommendations for Reservations for the Backward Classes

AT A CABINET MEETING ON 6 AUGUST 1990 THE PRIME MINISTER SAID that 'we will first discuss the implementation of the Mandal Commission Report' and asked Ram Vilas Paswan, social welfare minister, to comment. Vinod Pande, cabinet secretary, looked as surprised as I was. I said to the prime minister that as we had no notice on this subject we should be given time to collect the material and prepare a note for him. He did not agree. Both Sharad Yadav, minister for Textiles and Food Processing, and Ram Vilas Paswan vigorously argued the case. Ajit Singh, minister for industries, said that Jats should also be covered in the decision. Mehta, minister for state for education, demurred that 'before we take a decision we should not forget what happened in Gujarat in 1985 during the anti-reservation agitation'. Vinod Pande said that there should be some reservation for the economically backward as was advocated by Karpoori Thakur in Bihar. He then asked Madhu Dandavate, finance minister, to support him saying 'only last evening you were in favour of this'. Mufti Mohammed Sayeed, home minister, also pleaded for time as he apprehended a serious law and order situation in some parts of the country for which it would be necessary to alert the paramilitary forces and the state police. Some also argued that it was necessary to have a special reservation for the more economically backward amongst the other classes, as the Mandal Commission had taken into consideration not only educational and social backwardness but also economic backwardness.



It was obvious that this had been discussed at a meeting the previous evening and had now been brought up in the cabinet for formal approval of the government. The prime minister had apparently made up his mind to accept the Mandal Commission's recommendation of 27 per cent reservation in government jobs for other backward classes and when the cabinet ultimately approved it, he asked me to prepare a statement for him to make in the Parliament and added that I should also consult Shiv Shankar who had been cabinet minister in the Rajiv Gandhi government. I was intrigued by this but asked my joint secretary to do so. The prime minister made the statement on 7 August in Parliament and bedlam broke out.

I was told that on the evening of 5 August the prime minister called a meeting of the Janata Dal to endorse his action of removal of Devi Lal, the deputy prime minister. A large group of backward class members put powerful and intense pressure on the prime minister to implement the Mandal report immediately. They said that the party had promised to implement the report within a year of its coming into power and this should therefore be announced in the coming session of Parliament as it was the last session of that year. The prime minister asked for some more time but the group did not agree. This was followed by an informal meeting of the Political Affairs Committee at which the cabinet secretary was present and Sharad Yadav forcefully advocated adoption of the report. This was how the subject came up before the cabinet next evening without any notice to the PMO.

As additional secretary, home ministry, I was associated with the Mandal Commission from 1978. Even at that time many in the Council of Ministers itself had not been happy about the commission which had been appointed under tremendous pressure from the backward class components of the Janata party. The chairman, B.P. Mandal, had apparently made up his mind on the recommendations and the collection of material and statistics was based on this. I knew S.S. Gill, the secretary to the commission, would not agree, and in fact, he later wrote a couple of articles justifying the methodology adopted, quality of data collected and recommendations made. One of the members from Andhra Pradesh complained that some members were kept quite in the dark by the chairman. Though the commission was supposed to work on a scientific basis, its subject was such that certain assumptions had to be made from the available data, which was the 1971 census. Mandal also almost exclusively relied and based the findings on caste

basis for backwardness. About 3,800 castes were identified throughout India, which had been already identified by various state governments. Even though the commission stated that it defined and identified backwardness on the basis of educational, social and economic backwardness, it finally adopted caste as the basis for and definition of backwardness. The work of the commission was somewhat affected when Choudhary Charan Singh had Parliament dissolved and new elections ordered. When the Congress party came back into power in 1980 Mandal wanted to finish the work of the commission and hand over the report without delay which he did to the home minister. We were surprised at the suddenness of this move, and at least one member of the commission complained that the chairman had unilaterally decided to finalize the report and hand it over to the government.

As I joined the labour ministry in early 1981, I lost touch with this matter. There was a parliamentary debate on this subject in the middle of 1982 but no concrete movement or progress, and the report was relegated to the backburner by the Congress government. Between 1982 and 1989 a ministers' committee studied this report but serious attention was not given to it and it was pushed under the carpet. Rajiv Gandhi personally was not in favour of such reservations and was of the opinion that other steps should be taken for improving the lot of the backward classes.

The Janata Dal manifesto clearly advocated implementation of the Mandal Commission report as an important part of its election manifesto in 1989. The backward community was a major vote bank for the party. In some states, especially in the south, such reservations were already in vogue, such as Tamil Nadu with 31 per cent and Karnataka with 51 per cent. There had been Patel-led anti-reservation riots in Gujarat in 1985, in which twelve died, and in Bihar in 1977-78 when Karpoori Thakur had announced reservation on economic backwardness when 118 died. But the Janata Dal thought that conditions had changed substantially since then and the time had come to implement the Mandal Commission report. This was included in the president's address to Parliament and the prime minister also referred to it in parliamentary debates. The constitutional reservations for scheduled castes and scheduled tribes were to lapse in early 1990. The government introduced a constitutional amendment to extend them further with universal support, and therefore thought that there would be no objection to the principle of reservation as such in other cases either.

I, however, told the prime minister that the matter had not been handled well. It would have been much better to form a group of ministers to quickly examine the issue, suggest strategies for acceptance of the report and move a motion in parliament for a free and frank discussion. It would have also given an opportunity for public debate outside Parliament and dissipated the heat and passion generated by the government's decision of 7 August. No political party would have opposed the spirit behind the recommendations, thanks to the electoral influence of such large numbers. They would have, at most, asked for certain not very substantial modifications and the government could have accepted gracefully only some of them. Since he was the head of a coalition government and supported by two major political parties from outside, such a consensus-building exercise should naturally have appealed to the prime minister. But he was so sure there would be no opposition to his move that he did not go along with this. Both the major supporting parties were upset and indicated clearly and firmly that this decision should not have been announced without first having full discussions with them. The leftist parties, however, were quickly reconciled with the *fait accompli* but suggested that economic criteria for backwardness should be emphasized and at least some reservations based on that.

The BJP was in an awkward position because although it had a large component of backward class voters, the influence of the urban upper castes was also substantial. In the beginning it favoured the Mandal Commission's recommendations but some senior BJP leaders visiting a college in Delhi received such a traumatic reception from the students' wing of the BJP that was more or less controlled by students from the urban middle class, that they naturally felt threatened by this. The BJP therefore could not ignore the violent reaction since the urban middle class was their solid constituency.

The student community in Delhi almost rose in revolt. The area in the vicinity of the All India Institute of Medical Sciences and Safdarjung Hospital became a virtual battlefield between the students and the police. The *Newstrack* programme on Doordarshan showed one student being badly beaten by the police and bleeding profusely. The public was greatly angered against the V.P. Singh government. At a meeting with the prime minister I mentioned this telecast and was met with absolute silence. The prime minister's family had also seen the video tape but was very reluctant to mention this to the prime minister.

It was reported that some students were seen sprinkling petrol and kerosene on reluctant students and trying to make them self-immolate. The instigators were Congress workers shouting pro-Congress slogans. The police and the Intelligence Bureau investigated but nothing substantial came out of it. The prime minister was naturally upset.

Delhi (including New Delhi) is essentially a middle-class bastion with a very large number of civil servants and bureaucrats and a large number of students aspiring for government jobs. The whole community therefore felt threatened by the new government policy. The national, and even international, perception of our reaction to the reservation policy was predominantly influenced by what was happening in Delhi. The self-immolation of Rajiv Goswami on 19 September embittered feelings further. Though there were anti-reservation demonstrations at other places too, the reaction in the southern states was mild as they have lived with reservation for decades and were therefore not too upset with the new policy.

Expectedly, there was a strong reaction from the reservation lobby. Many places in Uttar Pradesh and Bihar witnessed pro-reservation agitations and some central ministers like Ram Vilas Paswan and Sharad Yadav were actively involved. At times we were anxious that there might be bloody clashes between the students of these two groups, especially in Delhi.

The prime minister's assurance that the reservation principle would not be extended to educational institutions, armed and paramilitary forces and promotions in government jobs did not pacify feelings. He decided to go on television. I told Prem Shanker Jha, his press adviser, that the prime minister's address should contain an assurance that the government would wait for a court decision in the cases but this was not accepted and the televised address sent a clear signal that government was firm in its decision. I told the prime minister that it would not be difficult to get a stay from the court against the government's decision to bail us out of the tight situation but he was not agreeable to the suggestion.

I have often wondered why V.P. Singh was so adamant about this. Nobody could have differed with him on his commitment to do justice to the backward classes. The status of backward communities in India is a big social stigma and in the rural areas of Uttar Pradesh and Bihar one can see the degrading conditions they are subjected to. The film *Damul*

produced by Prakash Jha clearly portrays how they live in the villages. They are ruthlessly put down by the upper-class communities. As labour secretary I had sent a team of senior officers from the ministry to Bihar and they were almost lynched by the upper classes and saved only by the accompanying police jeep. Some of the upper segments of the backward classes like Yadavs have benefited from land reforms but they too had to obey the upper classes. V.P. Singh's argument, and a correct one too, was that if this injustice was not undone, and that too very soon, there was likely to be acute social unrest if not upheaval in the Hindi-speaking areas. This was bound to happen and one should accept this in the way political awakening is taking place.

The anti-reservation lobby argued that the number of jobs that would be available to the backward classes was very small. This was factually correct. In 1988 the number of people registered in the employment exchanges was about 2,000,000 while the total vacancies were 200,000. The scheduled caste and scheduled tribe reservation would claim about 55,000 vacancies and, therefore, the number available for OBCs would be insignificant. The prime minister's answer was that it was not the number that was important but the gesture that signified the beginning of the policy towards upliftment. A government job is the most visible manifestation of authority in the public mind especially as it also handles sensitive matters including general law and order. Further, in the northern Hindi-speaking areas, the government alone provided jobs, if at all, to those seeking one. But the public was uneasy and the policy would definitely lead to agitation for reservation in the private sector and also in educational institutions. Financial help would also be claimed as a right.

The timing of the announcement by the prime minister in the first week of August was also curious. The general impression spread by interested parties was that this was to counter the backlash of Chaudhary Devi Lal's public meeting in Delhi on 9 August. But I have other views on the matter.

The prime minister had been uncomfortable with the BJP's support, though from outside, from the very beginning. Even though there was seat adjustment between the Janata Dal and the BJP for the 1989 general elections, V.P. Singh made it clear that he would not campaign for or on behalf of the BJP, and in one or two instances even refused to be present at a common rally or address it from a common platform. He hoped a large number of Janata Dal candidates would be elected and

the BJP's help would not be required. Unfortunately this did not happen, as the Janata Dal and its allies fared badly in Karnataka and Andhra Pradesh. However, he and the leftists managed to keep the BJP outside the government. He, however, did not give up hope. He banked on splitting the Congress in a couple of months by finding the beneficiaries in the Bofors scandal and putting Rajiv Gandhi in an awkward position. But even this did not materialize. Besides, the BJP MPs were becoming impatient as the party had to shoulder responsibility without authority. The Ayodhya matter was temporarily shelved till the state elections in February and further postponed for four months till June and the government was making no move about it. Also, some of its major promises such as statehood for Delhi, major electoral reforms and so on were not being tackled. Jagmohan, governor of Jammu and Kashmir, was made to resign on 25 May and the BJP felt let down. All these were clear indications that the parting of ways between the government and the BJP was imminent. There was open talk that the more extreme elements in the BJP would force its leadership to adopt a rather aggressive stance on the Ayodhya issue.

In my opinion, the prime minister then thought of adopting a policy and an issue that would counter the threat from the BJP by splitting its constituencies and base. And there was nothing better than the Mandal Commission's recommendations. This was confirmed when Sharad Yadav pressed the Mandal matter with the prime minister and I argued that they had started from the top down without laying a firm foundation, unlike the south where a strong social and educational movement preceded backward class reservations. Yadav's remark was significant, 'Our Mandal Rath will be there as long as Advani's Ayodhya Rath is not withdrawn.' The truth of why the announcement was made on 7 August, just before Devi Lal's rally in Delhi, is quite apparent from the fact that it was made without a proper study of the subject and its implications. Otherwise the prime minister would not have had to later issue so many clarifications such as no reservation in military and paramilitary forces or promotions in government services. One interpretation is that the prime minister, seeing the mood of the MPs at the meeting on 5 August to discuss removal of the deputy prime minister, may have thought the announcement of the Mandal Commission recommendations would take the sting off the Devi Lal affair. But I am convinced that the real thrust in the prime minister's

strategy was to meet the BJP's challenge. It may also be noted that Devi Lal's rally was not as large as he had wanted it to be.

The Mandal Commission report was too good an issue not to be used to gain political mileage. I have no doubt at all that even the Congress party would have done the same later when it discovered that it was losing influence in Bihar and Uttar Pradesh. The backward class is a big vote bank in this area and the Congress would have been compelled to exploit it. During Rajiv Gandhi's tenure when the Panchayati Raj Bill was being discussed in the cabinet, Shiv Shankar forcefully advocated reservation for the other backward classes in panchayati raj institutions as it would give tremendous electoral advantage to the Congress party. Unfortunately for him, the cabinet was not in favour of it at that time. During the parliamentary debate on the Mandal Commission announcement, Rajiv Gandhi did mention that reservations for other backward classes in public services in some of the southern states when they were governed by the Congress party were not proper; yet the fact remains that the Congress party had done this for purely electoral purposes. Again, when he advocated reservations based on economic basis, he was completely taken aback when he was told that his party's law minister had advised the Mandal Commission in 1980 against injecting any economic criteria for reservation.

The Congress party's claim that in 1991-92 it implemented the Mandal Commission recommendations in a far more sophisticated way than did the V.P. Singh government is definitely a very tall one. It could do what it did only because the violent reaction against reservations had completely ebbed by 1990 and the urban upper middle class had come to accept the *fait accompli* and also the inevitability of reservations. The Congress party, however, does deserve credit for introducing the principle of a creamy layer. This was very necessary as otherwise the more educated and prosperous from among the other backward classes would have monopolized all the privileges of reservation and behaved towards the more backward just as the forward classes were behaving. A good example is the Yadav community in Uttar Pradesh and Bihar who lord over non-Yadav other backward classes.

The subject of why and how V.P. Singh implemented the Mandal Commission recommendations will always remain a fascinating one. No doubt he wanted to be remembered as a 'messiah of the backward classes' but instead he was maligned as the 'father of Mandalization'. He is blamed for encouraging and fostering in a vicious way casteism

in national life, almost tearing apart the social and political fabric of society. Even his supporters will accept that though the cause was a noble one, the way the situation developed and was handled by him, the outcome was almost traumatic. It also gave rise to the controversy whether communalism or casteism is the worst enemy of India. In fairness to him it can be argued that even if he had not implemented the Mandal Commission report the issue would have been exploited by one or another party and especially the Congress. The backward class vote bank is too large to be ignored by any party in India and therefore it is not fair to blame only V.P. Singh for doing what would have inevitably happened.

Though a left-handed compliment, credit should also be given to him for permanently changing the Indian political scene. Till the 1980s the backward classes were nowhere in the picture but from the 1990s they have come to dominate the scene. Without their support no political party can hope to be in power, at least in the Hindi-speaking states, or form the central government.

V.P. Singh himself was responsible for unwittingly making the Mandal Commission recommendations create social trauma in India. The real tragedy is that the whole system of reservation for backward classes is not being used for their uplift – socially, educationally or economically – but only for using them as vote banks. Even their leaders adopted the same attitude, using them to garner and control political power purely for personal ambitions. V.P. Singh should have realized this when he decided to use this purely as a political ploy to contain the influence of the BJP. And it must be stated very clearly that even this objective he did not achieve. If he had not made the announcement in the first week of August, he would have been in a far better and stronger position vis-à-vis the BJP. On 29 June, L.K. Advani publicly warned that 'if the Government adopted a confrontationist attitude towards the Vishwa Hindu Parishad's proposed Ram Janmabhoomi Temple at Ayodhya it would unleash the biggest mass movement of history'. Again, in early September one of the two reasons he gave for being forced 'reluctantly' to embark on the nation-wide Rath Yatra was the announcement of the Mandal reservations. September/October would have been the proper and critical time for V.P. Singh to call for general elections to boldly confront this challenge of the BJP. But he could not do so because his own party would not have stood by him because of the traumatic fallout of the August announcement. The self-immolation



of Rajiv Goswami on 19 September really shook the nation. By mid-October the Mandal agitation had claimed about 250 casualties and some at least had burnt themselves to death before sympathetic crowds and the national media. This naturally encouraged Chandrashekhar to engineer a split in the Janata Dal. The fall of V.P. Singh's government was inevitable in the first week of November.

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# 26

## On Vishwanath Pratap Singh

*I* FIRST MET VISHWANATH PRATAP SINGH IN 1980 WHEN HE WAS THE chief minister of Uttar Pradesh. There were serious communal riots in Moradabad. As additional secretary in the home ministry I had gone there with Giani Zail Singh, the home minister. The Giani asked V.P. Singh to take certain steps at which the latter was visibly annoyed and told him very bluntly that he was the chief minister of the state and would do whatever was necessary to bring the situation under control. Obviously, he did not like taking orders from Zail Singh.

In 1985 I met him in Bombay when I was chief secretary of Maharashtra and he was finance minister in Rajiv Gandhi's cabinet. I mentioned some of the difficulties the state civil servants encountered in income tax matters when they had taken housing loans and he asked me to meet him in Delhi to discuss this, which I did. He called Bimal Jalan, the chief economic adviser in the finance ministry. They both reacted sympathetically and he asked Bimal to see what could be done.

As cabinet secretary from 1986, I had of course to see him frequently. The euphoria created by his first budget in 1985 had evaporated by then. Now he had come to be associated more with his campaign against tax evaders and tax defaulters that was being conducted by him and the revenue secretary, Vinod Pande, rather harshly. I used to tell Vinod to go slow and discreetly look for the real offenders, and that if the campaign was really serious, they should not ignore the politicians who had amassed huge wealth and were well known and crack down on them as well. Then came the Fairfax affair, which was the beginning of the end of the relationship between Rajiv Gandhi and V.P. Singh and culminated in the

latter's transfer at the beginning of 1987 to the Ministry of Defence. Here too V.P. Singh continued his missionary drive against corruption and resigned in April over the HDW submarine case.

However, Singh had not left the Congress party. I suggested to Rajiv Gandhi that we ask him to be chairman of the next finance commission to be set up as he was eminently qualified for the post and it was to be hoped that he would devote himself to this task rather than be compelled to take a political position against Rajiv Gandhi. Unfortunately nothing came of it as I knew that Rajiv Gandhi's advisers stoutly opposed V.P. Singh and wanted to throw him out and teach him a lesson. Would history have been different if Singh had been appointed chairman of the finance commission? He was expelled from the Congress in July 1987.

V.P. Singh became prime minister after the general elections in December 1989 and resigned in November 1990 when he could not win a vote of confidence in Parliament. His was a complex personality. He was an introvert and did not show his emotions or feelings. He was very fond of reading and was a poet and also a painter in his own right. He had really wanted to become a scientist and had been a student of Fergusson College in Poona. His wife, Sitadevi, told me that their time in Poona had been their best years, when they had led the normal life of a young married couple.

Singh was very considerate but at the same time demanding and hard-working. Files came back from him promptly with precise and clear orders. He wrote good English and Hindi, and also wrote his own speeches for TV. Unfortunately he did not come across very well in his TV appearances and the rather high cap that he wore made him look a bit dull. He had his own personal office at his residence 5 Race Course Road that I visited often, unlike Rajiv Gandhi who never allowed any official to visit his private residence. I met V.P. Singh's wife and one of their two sons and it seemed a happy and close-knit family.

Besides being an introvert, he seemed detached and even cold in personal relationships which perhaps explains why there are not many loyal colleagues and supporters around him. Of course, there were Vinod Pande and Bhure Lal but not many others in the civil service, and of his political colleagues only Sompal and Bhartiya were close to him. In short, he was not good at inspiring personal loyalty, unlike Rajiv Gandhi.

He had a peculiar personality trait. He was in the habit of adopting causes with missionary zeal some times bordering on mania, and one

such cause was his drive to cleanse political life. He could have received widespread support for this if only personal vendetta and ambition were not mixed with it. His personal loyalty to the Gandhi family was not in doubt but he picked on Rajiv Gandhi as a target and his campaign against him appeared like a personal vendetta. He might not have personally approved, but the vulgar slogans shouted at Rajiv Gandhi regarding the Bofors gun during the election campaign of 1989 were in bad taste.

The same can be said about his campaign against tax evaders and tax defaulters. We were aghast when the venerable and old industrialist S.L. Kirloskar was arrested. Singh might not have personally ordered this, but it was the result of his indiscriminate campaign and zeal to teach tax evaders a lesson.

He was definitely a shrewd politician and at times a crafty one. The campaign targeting Rajiv Gandhi for corruption was a master strategy for damaging Congress credibility. Again, his nomination as prime minister by Devi Lal was a piece of political skulduggery by itself and Chandrashekhar was rightly outraged. His electoral alliance with the BJP for seat adjustment was another politically calculated strategy even though he never shared any platform with them in the election campaign. Unfortunately, the Janata Dal did not do too well in the south and BJP's support was necessary from outside to form the government. He did not succeed in splitting the Congress party either as he had hoped. Again, when he noticed the BJP's strategy for Ram Mandir at Ayodhya, he started playing the Mandal card for political gains. But he only created a holocaust that consumed him. When by October 1990 he knew that the end was coming and his defeat in Parliament was inevitable, his political craftiness surfaced yet again. He made the best of a bad bargain and gave to his exit the appearance of a principled stand that he was not afraid of losing even power and authority for this.

He was not a lucky prime minister. The way he was elected prime minister in the Janata Dal meeting did not really augur well. Normally every prime minister has a honeymoon period with the public, but in his case this was over too early. Though he had a consensual approach, neither those with him in the government nor those who supported him from outside found him easy to work with. He too found it difficult to carry on with all of them together. The BJP started doubting his sincerity and bona fides within a couple of months, but even his colleagues, like Ajit Singh, Ram Vilas Paswan and George Fernandes,

did not make his life any easier. Devi Lal was in a class by himself and wanted to extract his pound of flesh for supporting his election as prime minister. By March–April 1990, we could sense the beginning of the end of his government. He did not give any impression of being in panic, but one could see that he was making every effort to appear cool in spite of his anger and frustration. This mental and physical pressure must have affected his health, which took a very serious turn within a couple of years.

I was curious about his reaction to the St Kitts affair when he became the prime minister. This of course was a shameless political act by the previous Congress government to involve him and his son in a shady deal purely for political gains and that too in a most dishonourable way. But he was not vindictive and even struck off Narasimha Rao's name as one of the accused persons. Of course he was hurt at this attempt to besmirch his personal honesty and integrity about which he was very careful. He took extra care that no centre of power such as the PMH developed during his prime ministership. There were no messages or hints dropped by anybody in the prime minister's name and nobody could give any orders claiming to be in the prime minister's confidence.

An irresponsible and stupid allegation was made by a sycophant of the Gandhi family that Singh removed the Special Protection Group cover for Rajiv Gandhi to finish him and thus the Gandhi family. Nothing was further from the truth. No harm was done to Rajiv Gandhi during V.P. Singh's tenure as prime minister. Congress sycophants and leaders who did the most shouting could not explain why they did not ask the Chandrashekhar government, which was their own proxy government, to restore the SPG cover for Rajiv Gandhi. V.P. Singh was deeply hurt by this unnecessary controversy especially when he had repeatedly made clear his loyalty and respect for the Gandhi family. I too was not spared and the same Gandhi family sycophant wrote a nasty piece naming me. I felt the same antipathy from Justice M.C. Jain when I appeared before him to depose for his commission investigating whether there had been any conspiracy behind Rajiv Gandhi's assassination.

I had a very proper relationship with V.P. Singh as prime minister. He treated me with full courtesy and consideration. All sorts of allegations have been made about why he retained me when I had been Rajiv Gandhi's principal secretary. But I found that he wanted me to

continue as he was quite satisfied with my objective approach, apolitical conduct and integrity. He knew that when an inquiry was conducted against Bhure Lal, I had promised him that it would be fair and just and without prejudice against him, and I could ensure this. Also, V.P. Singh could easily compare my performance with that of T.N. Seshan who had fully aligned himself with the Congress party while working as cabinet secretary.

I saw V.P. Singh a few times after he stepped down. Once in Delhi when I heard about his illness, again in Bombay when he came for treatment, and the third time in London when he was there for treatment.

It is difficult to understand why the Congress party in general, and Rajiv Gandhi in particular, were so furious with V.P. Singh. Did they think that he was raising the banner of cleansing political life only to push Rajiv Gandhi aside and become the prime minister? But then, why can't a politician aspire to occupy the topmost post in the country? It is not the monopoly of a single person or even a dynasty. Maybe the antipathy towards him was because he dared to challenge the dynastic monopoly or refused to become its bonded labour.

Only now, after he is no longer the prime minister, have we come to know what a fine private person he is. I have read some of his poetry and seen two exhibitions of his paintings in Bombay that reveal his sensitivity and make one wonder how such a person could be a politician and that also a prime minister. It could be fascinating to imagine the type of life he might have led had he not entered politics, but become a career scientist, which hopefully would have allowed him to indulge in his real love: poetry and painting.

# 27

## With Chandrashekhar

*I* FIRST HEARD OF CHANDRASHEKHAR AS ONE OF THE YOUNG TURKS IN the Congress who rebelled against the Syndicate and sided with Indira Gandhi. His activities immediately before the Emergency and during it aroused great interest and admiration. I met him for the first time in 1978 at Rashtrapati Bhavan at a reception where he was standing with Mohan Dharia and George Fernandes looking rather grim. I then read that the monies collected from his padyatra from south India to the north were put in a public trust that was used to set up an ashram at Bhondsi near Delhi that was popularly perceived as being treated as his personal property.

Appearing on TV in December 1989 when Vishwanath Pratap Singh was elected leader of the Janata Dal parliamentary party, Chandrashekhar looked angry and hurt. He made no attempt to conceal that he felt he had been cheated. I used to see him later when I was V.P. Singh's principal secretary in the PMO. It was clear that Chandrashekhar was not a man to take his defeat lying down and that he would do all he could to push Singh aside and become the prime minister.

Apparently, Singh himself gave the opportunity to Chandrashekhar who then split the Janata Dal. Though he had barely 10 per cent of the Lok Sabha members with him, he was invited by the president because he could secure the backing of Rajiv Gandhi and the Congress party. On 9 November 1990 he called on the president, who asked him to form the new government, to be sworn in on 10 November. I immediately called on him with Venugopal, my additional secretary at his house on

South Avenue to discuss the arrangements to be made for the swearing-in ceremony. I spoke to the cabinet secretary, Vinod Pande, and to the president's secretary, Murari, and kept them informed of the various developments. Late at night we were told that only Chandrashekhar and Devi Lal would be sworn in the next day, and the others be sworn in later.

Normally, the swearing-in ceremony is held in the Darbar Hall of Rashtrapati Bhavan. This time, however, we were surprised to see it arranged in the open courtyard outside the main building, but apparently the president had agreed to this extraordinary request. Perhaps Chandrashekhar wanted to appear as a people's prime minister taking a cue from such swearing-in ceremonies in other states like Uttar Pradesh and Bihar.

Seeing Rajiv Gandhi come in I asked him how he could have been party to a freak government that might not last for more than four or five months. He just smiled and went to his seat. After Chandrashekhar was sworn in as prime minister the president read the oath for Devi Lal to be sworn in as minister, but he insisted on saying he was being sworn in as deputy prime minister. The president just shrugged and left it at that, but there was distinct laughter amongst the audience. In the afternoon the new prime minister came to the South Block office and I introduced everyone in the PMO to him.

The immediate problem before us was the South Asian Association for Regional Co-operation (SAARC) meeting in Male scheduled the next week. It was quite obvious that the new prime minister would not be able to attend it. Muchkund Dubey, the foreign secretary, was naturally perturbed as without the Indian prime minister, or for that matter with even one prime minister of the SAARC countries not attending, the meeting could not be held. We tried to have the meeting postponed at least by a week and, fortunately, it was refixed for 21 November.

The same afternoon of 10 November a meeting was arranged of representatives of all political parties supporting the government. We were told this would be held in the Cabinet Room in South Block but as this room has a certain sanctity and only official meetings are held there, I said it could be held in the meeting room adjoining the Prime Minister's office room. I informed the prime minister and he agreed with me.

We arranged briefings for the prime minister. The first was on law and order and was attended by the cabinet secretary, home secretary,



defence secretary, director of the Intelligence Bureau and secretary, RAW. The briefing was general, with particular reference to Punjab, Jammu and Kashmir and the communal situation, specifically the Ayodhya issue. The meeting on economic matters with the finance secretary, Bimal Jalan, completely upset the prime minister, especially the balance of payment position and the mounting budget deficit. I explained to him that this situation had been building up for quite some time and that the crisis was likely to come soon and that though it is a common budgetary practice to underestimate expenditure and overestimate receipts, this had happened in the last budget rather steeply. It was apparent that he was not at all happy with the handling of economic matters by the finance secretary. I had told Bimal Jalan to make a frank and honest presentation clearly indicating that the unstable political situation was one of the factors responsible for the uncertainty in the economic scene that made international financial institutions and foreign bankers reluctant to give us loans and make adjustments to ease our foreign exchange position. At the end of the meeting I could see the prime minister had made up his mind to have a new finance secretary.

I also briefed the prime minister about the security cover given to Rajiv Gandhi in December 1989. He said that since the security arrangement had been apparently working well for almost a year, he saw no need to change it and that P. Chidambaram's protest in February 1990 when SPG cover was withdrawn from Rajiv Gandhi would be dealt with if it were raised afresh by the Congress party. He then added in his inimitable blunt manner that he did not think the Congress party would ask for SPG cover for Rajiv Gandhi as an ex-prime minister for that would mean giving a similarly prestigious cover to their common *bête noire*, V.P. Singh, as well.

It is customary for the principal secretary to the prime minister to submit his resignation to him so that the prime minister can have a person of his choice and I had done so previously too when V.P. Singh had become prime minister. I was, however, advised to wait until the full Council of Ministers was constituted. In the meantime both Biju Patnaik, chief minister of Orissa and Sharad Pawar, chief minister of Maharashtra, spoke to the prime minister to retain me.

Immediately after taking over, the prime minister went to Bombay on 12 November mainly to meet Morarji Desai. Normally only the prime minister and his family travel in his cabin but now I found that

the new prime minister's friends and colleagues, about eight or ten of them, were all sitting in his cabin all through. At a dinner hosted that evening by Sharad Pawar, the prime minister fielded questions from the press very well and created a highly favourable impression.

The International Trade Fair is held every year at Pragati Maidan in Delhi from 14 November, the birth anniversary of Pandit Jawaharlal Nehru, and is traditionally opened by the prime minister. He, however, said he could not do this and that I should inaugurate the fair. After the introductory speeches I had started my inaugural speech when there was a commotion and Devi Lal, the new deputy prime minister, walked in majestically. He was greeted by Moosa Raza, chairman of the Trade Fair Authority, and brought to the dais. After I had finished I asked him why he was not at Shantivan for Nehru's birth anniversary celebration. He responded with the choicest Haryanvi abuses for his PA for not mentioning that engagement to him. In his speech later he made a rather odd remark that the Indian economy and Indian industrialists were doing very badly as we had not won any medals in the Asiad at Beijing that year. However, as he spoke in Haryanvi and mumbled, not many in the audience, especially foreigners, understood what he said. Moosa Raza, who spoke afterwards, was at his diplomatic best and said he would translate his speech into English but the version he gave was what Devi Lal should have said and not what he had actually said.

The same week, R.L. Mishra, revenue secretary, came rather nervously and said that Chandra Swamy, the notorious tantrik, was returning to India and arriving in Delhi that night. Chandra Swamy openly flouted his alleged proximity to politicians and businessmen and an enquiry was going on against him for violation of foreign exchange rules and his role in the Bofors case. Since there was an alert against him he would have to be picked up as soon as he landed and taken away for questioning. Mishra said that in such cases the standard practice in his department was to keep the minister informed. As there was no finance minister I told him to report this to the prime minister. Mishra accordingly did so and the prime minister said that they should go strictly according to the rules and regulations, but did not look too happy. I conjectured that a message would be conveyed to Chandra Swamy, and sure enough, he did not come to India that day. I also made a mental note that most likely Mishra would be shifted soon.

We were informed on 20 November that other members of the Council of Ministers would be sworn in the next day. Venugopal,

additional secretary, was in touch with the prime minister's private secretary, Gautam, for the necessary letters to the president and the allocation of portfolios. Since we were to leave for the SAARC meeting in Male the next morning the external affairs ministry was informed that its minister was Vidya Charan Shukla and arrangements should be made for his travel to Male. Next morning I went straight to the airport as I did not want to get into the melee that normally happens at such events at Rashtrapati Bhavan. When the prime minister came to the airport after the swearing-in ceremony I told him why I had not been there. He gave a hearty laugh and said, 'Deshmukh, even I would not have been there if I could have avoided it.' He then told me about the utter chaos at the ceremony and how with great difficulty it was concluded and how he escaped.

It was at Male that I saw Chandrashekhar from close quarters as prime minister and as a private person. He was extremely considerate and courteous to all of us, and at the hotel he personally enquired whether we were comfortable. The foreign secretary, Muchkund Dubey, who had arrived earlier had taken ill and the prime minister made it a point to see him first before he went to his own suite. We were very touched by this gesture. The next day he said that he would like to take all of us out for dinner, but unfortunately, I could not join him as I had already had dinner.

Everyone at the SAARC meeting was very curious about the new prime minister of India, as he was totally different from Rajiv Gandhi who most of them had known. He impressed all of them by his sincerity and openness and seemed not to have any hang-ups or any inflated ideas about India and his mission. He can be faulted for only one incident. At the end of the conference when the heads of government and state were making their speeches, Chandrashekhar started in English but suddenly switched to Hindi. I was startled and asked Muchkund Dubey and also Vidya Charan Shukla if he had been advised to speak in Hindi. The reaction of both was sheepish and I felt that he had either been so advised, or not told not to do so when he must have mentioned that he was more at home in Hindi. This created a slight awkwardness as some of the delegates, especially from Pakistan and Sri Lanka, asked sarcastically if India, which they always called the big brother, expected all of them to know Hindi. English is the official language for SAARC and there is no facility of simultaneous translation of other languages. The Nepali prime minister who spoke after Chandrashekhar

commented that he would also like to speak in Nepali but as it was not understood by many he would speak in English. When the prime minister heard of this later, he did not react too pleasantly.

Soon after the prime minister took over, Subramaniam Swamy, member of Parliament, made a strange remark to me. He said he knew about my noting on his case and now that he would be becoming a cabinet minister shortly a noting favourable to him would be made when the file was put up to the prime minister, thereby hinting that he knew how the bureaucracy functioned, specifically mentioning the British TV serial *Yes Prime Minister*. I said it was unfair to make such remarks about government officers as he should remember that his father was also in government service. I was sure then that I had renewed his antipathy towards me. The case he referred to was his appointment on the academic staff of the Indian Institute of Technology, Delhi, soon after his return from the US. His probation, however, was terminated in 1972 and he was discharged. He had gone in appeal against this in court and the case was going on. It was revived in mid-1989. The HRD ministry was not in favour of taking any decision unilaterally and said if the case was to be decided, Swamy should not claim any arrears of pay, or promotion on the basis of his seniority, and should resign immediately thereafter. Also any final decision could be taken only with the approval of the President of India who was visitor to the Institute. The matter rested there as there was no favourable response. General elections were announced in October 1989 and when the election campaign was in full swing, we were asked to submit this case to the prime minister. I was not happy with the proposal to reopen the case but sent the file to R.K. Dhawan, OSD. I discussed this with Rajiv Gandhi and he said that I should dispose of the file as I thought proper. After the elections the file came to me from Dhawan that the case may be disposed of as discussed. Subramaniam Swamy was one of the key opposition leaders who were saying that V.P. Singh was heavily involved in the Bofors case. Reopening of the case at this juncture was therefore intriguing.

I took the file to Chandrashekhar and explained the whole case and said that Subramaniam Swamy was very likely to mention his case to him and I did not want any trouble for my juniors in the PMO. The prime minister read the file and gave it back saying I should keep it with me. I handed it over to his private secretary, when I left on 10 December. Shortly thereafter, Swamy got a court decision in his favour.

The new Council of Ministers had its first meeting on 24 November, immediately after our return. Kamal Morarka was the new minister of state in the PMO. Curiously the first question Morarka asked was where the ACC appointments files were and what procedure was adopted for appointment of non-officials as directors in nationalized banks. He was told that these files went directly to the prime minister through the principal secretary. He was not too happy to hear this. I explained that in the normal functioning of the office, the principal secretary submits files to the prime minister and not to the MOS, as had been the practice under both Rajiv Gandhi and V.P. Singh. An exception could be made for files from other ministries and departments that were in charge of the prime minister if there was no cabinet minister. These could be submitted to the MOS if so desired, but the prime minister's specific orders would have to be obtained.

Now that the Council of Ministers had been constituted I thought that the time was right to submit my formal letter of resignation. On 24 November I asked the prime minister's private secretary to take the file to him personally. I was rather keen to sort this out as my contract appointment was expiring at the end of January 1991. When I saw the prime minister on 26 November for my usual morning briefing, my letter of resignation was with him. He handed it back to me without signing it, saying that he was quite satisfied with my work and advice and that I should complete my term. He also said he would like me to advise him in some other capacity. I made it clear to him that I was not too keen to continue with the government and that the previous government had also indicated that I might choose a governorship or an ambassadorship, whichever I wanted. He smiled and said that he had something like that in mind but he would discuss it with me later. Some newspapers had reported that he wanted to shift me and this was creating some uneasiness and embarrassment; he said that the necessary announcement would be made officially. I told his PS about this conversation and asked him to take further necessary action. Accordingly, Doordarshan announced in its evening news bulletin that I would be continuing with the prime minister. Ram Mohan Rao, chief of the Press Information Bureau, asked me if the period of my further extension should be mentioned but I said that I was to continue only till the end of my term.

Yashwant Sinha, the new finance minister, received a briefing from the finance secretary, Bimal Jalan, which brought out the critical balance of payment position and the foreign exchange crunch. The reaction of

the finance ministry was rather naïve – it suggested that senior representatives be sent to various important developed countries to explain our situation and solicit help. Some eminent people suggested were Dr I.G. Patel, former finance secretary and governor of the RBI to be sent to the UK and Dr Manmohan Singh, former deputy chairman of the Planning Commission, to Japan. I took the file to the prime minister and said that this step would lead us nowhere and some more specific measures should be examined and submitted. He agreed with me and the file was returned without any orders. Dr Subramaniam Swamy, the commerce minister, also suggested to the prime minister that we should canvass amongst selected non resident Indians (NRIs) to send funds into India as the experience of China with overseas Chinese was very encouraging. Amongst others, the Hinduja family was also contacted. I told the prime minister that even such NRIs would not invest funds in India until the political situation stabilized. There was another extraordinary suggestion, that some prominent industrialists – such as Viren Shah, chairman of Mukund Iron and Steel Works and Raunaq Singh, chairman of Apollo Tyres, both of whom were active and prominent in various chambers of industries – be sent on behalf of the government to various important developed countries. As it deserved, this proposal too fizzled out.

The government's attitude towards liberalization, balance of payments, foreign exchange and related matters was confusing. The commerce minister was going to attend a GATT meeting in Brussels. At an important meeting at the prime minister's office he explained his ministry's viewpoint that India should stand firm against various measures regarding Trade Related Intellectual Property Rights (TRIP) and Trade Related Investment Measures (TRIM) as otherwise we would not only be flooded by foreign companies entering the domestic markets but would also have to pay exorbitant prices for pharmaceuticals and biotechnological products. The prime minister reacted and said that we should not bow down before vested foreign interests. When I remonstrated against such an extreme view I was told that India had the backing of a number of countries. However, these were just five or six small countries from Africa, and Cuba. Brazil, though with us, was under tremendous US pressure, and left the Indian camp. I said we should not fool ourselves that foreign companies were dying to enter India; and if we opened the door, we would find that there was nobody waiting to enter.

Dr Subramaniam Swamy, attending a GATT meeting in Europe, sent a proposal, directly to the prime minister, from a French company offering to sell a million to a million and a half tonnes of crude oil to be financed substantially through counter trade. The petroleum ministry, however, told us that the French company was not on our list of reputed companies. Further, it had not specified the type of crude it was offering, and our refineries could take in only a certain type. And the offer of counter trade was so vague that we were afraid the French company would wriggle out of it later. We therefore advised the petroleum ministry to take an appropriate decision. Dr Swamy continued to bombard us with further communications and we were at a loss to why he was bothering the PMO instead of the petroleum minister. We explained this to the prime minister and he made personal enquiries. The result was that the proposal fell through.

Bharat Bepar Limited (BBL) was set up during the V.P. Singh government as the holding company for the State Trading Corporation (STC) and Mines and Minerals Trading Corporation (MMTC). Raghavan, who had to leave the government with V.P. Singh in 1987, was the chairman of the new company. When Chandrashekhara took over we knew that Raghavan's days were numbered and sure enough, Dr Swamy gave him his marching orders and also orders to wind up BBL. I told the prime minister that since Raghavan's appointment had been cleared by the ACC, his services could be terminated only by the ACC and not by the commerce minister alone and also that the order to wind up BBL was not valid as the company was created through a cabinet decision and a cabinet minister had no authority to upset that decision without cabinet approval. The creation of BBL was proposed during the Rajiv Gandhi government and it was not correct to say that it was the idea of the V.P. Singh government. Otherwise too it was a sound management decision as it brought under one umbrella two export organizations, STC and MMTC. If the new government wanted to dispense with the services of Raghavan it was not necessary to abolish BBL as that would amount to throwing the baby out with the bath water. Ultimately, however, Dr Subramaniam Swamy persuaded the prime minister to his view and both these orders were not regularized through proper procedure.

Dr Manmohan Singh also offered his services to the government but was rather keen to become a member of the Rajya Sabha and take part in the political scene. The prime minister said that we should have him

as economic adviser in the PMO but he would have to be given the rank of cabinet minister as this had been his rank as deputy chairman of the Planning Commission in the Rajiv Gandhi government. I suggested that it would then be fair to shift Montek Singh Ahluwalia out as he was more or less acting as economic adviser to the prime minister. He agreed with this but the shift did not materialize until 9 December when he was made commerce secretary.

I knew that certain governors would be shifted by the prime minister, the names of the governors of Punjab and Gujarat being on the top. The usual procedure was that either the prime minister or the home minister personally discussed this first with the president and then sent formal proposals. But the prime minister said that it was not necessary to follow this practice which had no statutory basis and that the file could go straight to the president for approval.

The appointment of Admiral L.N. Ramdas as the next naval chief had already been notified by the V.P. Singh government. This had aroused much controversy as Admiral Jain, who was senior to Admiral Ramdas, had been a strong contender for the post. I explained the background to the prime minister because I had a hunch that somebody may approach him on behalf of Admiral Jain. And sure enough this matter was raised at a meeting at which Dr Subramaniam Swamy and Yashwant Sinha were present. I protested that till now there had never been any change in the appointment of a service chief after it had been notified. It is damaging enough that cabinet secretaries are changed by new governments but fortunately the armed services are spared such interference which is one of the main reasons why they have remained an efficient force. I could not, however, make any headway with Swamy, who enthusiastically volunteered to take up the matter with the president. However the president, statesman that he was, did not agree with this proposal and Admiral Ramdas took over as naval chief. Obviously the new government itself was not impressed by Admiral Jain's claim as it did nothing for him when he retired. It must be said that the new government's attitude was most irresponsible as it was playing in a very light-hearted way with one of the finest institutions in India, viz., the armed forces.

While in Male for the SAARC conference the cabinet secretary had called to say that the law secretary said his minister, Subramaniam Swamy, had asked him to submit Sanjay Singh's (the new communications minister) case for filing an appeal against his acquittal by the



sessions court in the famous Modi murder conspiracy case in which Sanjay Singh and Mrs Ameeta Modi had been accused of murder. I said that the prime minister did not know the case and that the law ministry should give whatever advice it considered proper. I told the prime minister about this and he later said he had also spoken to Vinod Pande confirming my instructions. We received the file from the law minister in the last week of November with a note that the prime minister's orders were solicited. The attorney general's opinion was recorded. I said that the law minister should specifically give his advice on the file and the prime minister personally handed it over to Dr Subramaniam Swamy saying that he agreed with me. After a few days the law minister's specific advice was that we should file an appeal against the acquittal order of Sanjay Singh by the sessions court. I again took the file to the prime minister and said that while not disagreeing with the attorney general and the law minister on purely legal grounds, we should not forget that the person involved was a minister in the government and the approval would mean that the prime minister himself was satisfied that the evidence on record was enough to file a prosecution in a serious criminal case against one of his ministers. Thus, it would be proper to call first the minister and ask him to resign and also keep the president informed as in case the minister refused to resign, he would have to be removed from the Council of Ministers. The prime minister did not agree but only said that legally the minister like any other ordinary citizen was innocent till convicted in a court of law. I said this may be the legal position but it would be thoroughly wrong in the interest of a healthy and clean political life. The prime minister did not agree with this either but said that I should inform the president, which Murari, his secretary, was asked to do. I was hoping against hope that the president would call the prime minister but it turned out that the president did not want to embarrass the new government which had been in office barely one month. The prime minister did not even sign the file and it was left to me to record his orders. The government's appeal in the high court was dismissed and to that extent the prime minister's position in law was fully vindicated. I, however, still think that this was not proper.

There were persistent rumours and reports that the new government would make extensive changes among the senior officers. Besides myself it was on the cards that Vinod Pande, the cabinet secretary, would be shifted. The prime minister was quite impressed by the performance of the home secretary, Naresh Chandra, and wanted him as cabinet

secretary. At that time both Punjab and Kashmir were still in a critical stage and I did not think that a new home secretary would be in a position to handle the situation as precious time would be lost while a new home secretary settled down. Narendra Vohra, the defence secretary, was my candidate for home secretary in case Naresh Chandra was to be shifted as the former was fully conversant with the Punjab and Kashmir issues as he had once been home secretary in Punjab and was also tackling the problem as defence secretary. I also suggested that Bimal Jalan, finance secretary, need not be shifted because preparations for the next year's budget had started. I specifically mentioned this because there was a strong rumour that the finance minister wanted the commerce secretary, Shukla, as his finance secretary, as he had been his junior in the training period in Bihar.

As principal secretary to the prime minister I used to invite top industrialists and some representatives of their associations for a quiet evening at my residence. I had started this practice when I was with Rajiv Gandhi and continued it when I was with V.P. Singh. When Chandrashekhar informed me that I should continue with him I accordingly fixed the evening of 3 December to meet the industrialists for the last time. The response was quite good and all of them were very happy with my personal message that the new government wanted to have a cordial relationship with industry. I invited Kamal Morarka too as he was the MOS dealing with industry in the PMO.

On the evening of 10 December Yashwant Sinha, finance minister, spoke to me on the internal telephone and said it had been decided to appoint S.K. Misra as my successor. I was very surprised and told Sinha about my conversation with the prime minister when he had told me to complete my term till 31 January 1991. He said that the prime minister had already passed orders on my letter of resignation. I bluntly told him that he did not know the facts; that my letter of resignation had been returned by the prime minister without any orders and he had asked me to continue. I disposed of all the files on my table, told my private secretary not to send me any more files, and went to the residence of the prime minister at South Avenue. He knew exactly why I had come. I asked him why he had asked Yashwant Sinha to speak to me. He was obviously uncomfortable and said in Hindi that he was rather embarrassed to tell me that I would have to go. I then asked him why my resignation had not been accepted then and could be accepted now before posting Misra in my place. When I reminded him in detail

about our conversation on 24 November, that it was he who suggested that I continue till my tenure was over in January next year he had no answer but only said that he was sorry. I again suggested that he should notify the acceptance of my resignation and then notify the appointment of Misra as my successor, or if this was not possible, this should not be a part of other postings that were being announced simultaneously of those who had been in the favour of the previous prime minister. I could see that he was slowly losing his temper because he could never have thought that a civil servant in India would stand up to any politician, especially the prime minister. I also told him that if this was how they were going to treat senior civil servants, I would not be interested in continuing with him even if he changed his mind and asked me to. He suddenly got up and left the room banging the door behind him. Gautam, the prime minister's private secretary, came into the antechamber where I was and I told him that I would be handing over charge the next day and would not be available for anything.

Next day, on 11 December, I went to the office and across to the prime minister for a formal call. He gave me a broad smile. I again asked him whether he had since accepted my resignation but he did not reply. He enquired what my plans were and I said that I had already made it clear to him that I was not interested in serving the government any more in any capacity and, therefore, not in a position to accept anything which he might have in mind. I also told him that I had received an offer some months back from J.R.D. Tata and would like to join the Tatas if he had no objection. The prime minister promptly replied that he would have no objection at all. He said that he had no grudge against me but would have liked to look after me like other officers in the PMO such as Montek Singh who was being shifted as the new commerce secretary. At the end of the interview he was very courteous and made the usual Hindi observation, '*Mere layak koi seva hai*' (Is there anything I can do for you)? He came to the door and saw me out.

On 29 December my wife and I left for Bombay on a short visit. I called on the prime minister before I left and told him that I had already applied for formal permission to take up private employment and that my new job would not involve any liaison work with the government. I said in case he changed his mind and was not inclined to give me permission he should let me know and I would then withdraw my request. He said that he would keep this in mind and I requested Gautam to keep me informed of further developments.

In Bombay I called on the chief minister, Sharad Pawar. He was also intrigued by the prime minister's decision of asking me to leave. He said when Chandrashekhar became prime minister and he had told him to retain me he had replied that he was not sure whether I would like to be with him as he himself was not sure how long his government would last! Sharad Pawar had met him again after I relinquished my charge and the prime minister said that he did not understand why I had asked him to relieve me as he was very satisfied with me. Pawar told him that I had wanted to return to Bombay some time ago but V.P. Singh asked me to continue and I had agreed only because my colleagues too had persuaded me.

On my return to Delhi in the second week of January 1991, I met both S.K. Misra, my successor and Venugopal, additional secretary, who said that the government had not found it possible to accede to my request to take up private employment and that they would be writing to me. Misra said that the prime minister was of the opinion that it was not desirable to give such permission to me. I was intrigued at why the prime minister had changed his mind and especially when I had offered to withdraw my request in case he did.

In retrospect, however, this turned out to be a blessing in disguise. I could fully utilize the time, for which I had to wait before taking up private employment, to sort out my financial matters which we civil servants neglect badly while in service. I started certain schemes on my farm in Poona which assured me a good income in the future and made me financially completely independent both of the government and private employment during the cooling off period of two years from my retirement in August 1989.

Before leaving for Bombay on 26 February I went to call on Chandrashekhar for the last time. I had made it clear to his private secretary that I was not going to ask him for anything and, if offered, was not going to accept it. The prime minister enquired about my future plans and I said that I would be returning to Bombay and settle my farm in Poona so that I would be financially quite independent to pursue whatever career I wanted to. We parted on a very cordial note.

I have always wondered why the prime minister asked me to leave but without accepting my resignation. When he had returned my resignation without signing it he had asked me to continue till my tenure was over on 31 January. Why did he then decide otherwise? One possibility is that from the very beginning he did not want me to continue

with him but gave me the opposite impression and took me for a ride. But as he had treated me with all consideration and courtesy, if not affection, I do not think this is correct. Another interpretation is that he wanted me to continue but some of his colleagues persuaded him to terminate my services. I think three of his closest colleagues must have prejudiced him against me. Dr Subramaniam Swamy never liked me because I put him in his place and he realized that he could not push me around. So also Kamal Morarka who wanted to dominate the PMO which I did not allow him to do. I made it clear that the principal secretary is the head of the PMO and submits files only to the prime minister and he could not ask for any files unless specifically desired by the prime minister. Yashwant Sinha too influenced him to some extent. Some close aides of Rajiv Gandhi might also have given him the impression that I did not want to continue. I also think that Chandrashekhra was rather hurt when I put in my resignation as it implied that I did not think his government would last long. He could not understand why I should ask to be relieved of such an important and prestigious position that civil servants try so hard to achieve. He either failed to understand or refused to understand that my resignation was no reflection on him but that that was the convention. I think he might not have appreciated this position.

I saw him during my frequent visits to Delhi. I still have happy memories of working with him. All the senior officers were highly impressed by his unfailing courtesy. He would not only get up when we entered his room but made it a point to shake hands. He was very particular that tea and refreshments be served and his instructions to his private secretary were very specific in this regard. As a private person he is a fine man. But some sort of bitterness has crept into his personality. He does not trust people easily and is always on his guard. He feels that senior bureaucrats and well-to-do people look down upon him, perhaps because of his earlier years when he had to struggle against adverse circumstances.

He resented the president telling him what to do and laying down certain guidelines about how far he or his government should or should not go. He always maintained that he was the prime minister in his own right and not as a presidential nominee and therefore had every right and full responsibility to carry on. He had the same feeling towards the Congress and Rajiv Gandhi. He unconsciously resented the constraints on him because of the Congress support on which his minority

government had to depend for its survival. He wanted to leave his mark in Indian history and be a good prime minister whom people would remember afterwards with pride and affection.

Having observed Chandrashekhar from 1978 onwards and at close quarters from December 1990 I can make a fair evaluation of him, though necessarily from a bureaucrat's angle. At a personal level Chandrashekhar is a warm and affectionate person and must be a good friend because he has such a wide circle of friends and admirers, which is remarkable for a politician who has been in office and in power so late in life and that too for a very short period. Normally a politician in power is surrounded by all sorts of people who claim to be his friends and admirers but conveniently forget him when he is no longer in power. In his case, thanks to his personality, he has retained the friendship of a vast circle. As for civil servants, he always treated them with courtesy and consideration. Though I had some awkward moments and even a heated argument with him, later we maintained very cordial relations. I have no hesitation in saying that most of my colleagues also have a similar recollection of him.

I saw him closely as a politician only from December 1990 till June 1991 and can say that his ambition to become prime minister made him cast away his scruples and morality. Otherwise, it is difficult to understand how he could take the help of Rajiv Gandhi and the Congress whom he heartily disliked, if not detested, to become the prime minister. A member of his personal staff told me in an unguarded moment that Chandrashekhar always thought that he and people like him were the real inheritors of the Congress and not the Gandhi family, and that Rajiv Gandhi was heading the Congress only because he was the son of Indira Gandhi. As a shrewd politician he must have been fully aware that the Congress support for his prime ministership could not be much different from Indira Gandhi's game in supporting Chowdhury Charan Singh in 1979. His amoral attitude is exemplified by his remarks about the corruption in the Bofors case, his public acknowledgement of friendship with mafia dons like Suraj Dev Singh; and his approval for filing an appeal against the acquittal of one of his own ministers in a criminal case. His amateurishness became evident when dealing with complex financial matters like the balance of payment crisis and economic policies. He is extraordinarily blunt and does not bother where he expresses his opinions.

As prime minister, Chandrashekhar fully enjoyed a honeymoon period of about five months. It is therefore a moot point what public

reaction to his prime ministership would have been if he had continued for a longer period. It is quite possible that in that case his government would not have been remembered as having a good image. The only charitable observation would be that his exit was more graceful than his entry. Whatever discredit he might have earned when he manoeuvred to become the prime minister was to a great extent washed away by the way he refused to be hustled and played with by the Congress. I repeat that as a private person he is a gem of a man. However, in his ambition to become prime minister he turned into a typical Indian politician. This made his prime ministership a failure, but that may also be because he headed a freak government which was, however, his own creation.

## End of Association with Government

ON 11 DECEMBER 1990 I LEFT THE PRIME MINISTER'S OFFICE AND became more or less a free man. Shikha Trivedi's interview in the *Economic Times* appeared on 14 December and touched mainly on why I had continued with V.P. Singh; how I looked after various officers and civilians in the government; the importance of the PMO; and the Mandal report and the agitation that followed. Ashok Jain's interview in the *Maharashtra Times* appeared on 17 December and among the many points mentioned were Rajiv Gandhi's working style and how I confidently predicted his return to power.

I also called upon the president. He expressed his unhappiness over the shifting of the home and finance secretaries as Chandrashekhar had promised not to do so. He was also unhappy that proposals for transfers and appointments of governors were submitted to him without prior informal discussion as was the practice. He indicated that he would have to be more firm with the new government once the vote-on-account that he had been promised for four months was passed next March; and he was afraid general elections might take place next August or September 1991.

I met Naresh Chandra, cabinet secretary, at a Christmas party and told him there would be no regular budget next year. He was simply horrified. I took a bet on this with T.N. Ninan, editor of the *Economic Times*, who was also there. He called me in early February 1991 by when it was more or less certain that there would be a vote-on-account and no full budget and he wanted to know how I could have confidently predicted this so much in advance. I had also conveyed this information



to Gopi Arora, our director with the IMF in Washington and he said that this would create difficulties with the IMF.

On 2 February, Nirmala Deshpande, a well-known social worker with the Harijan Seva Sangh, came to see me with Nanaji Deshmukh, a prominent BJP leader who had retired from active politics. Deshmukh volunteered to speak to Chandrashekhar about me but I told him that that I was not interested in getting anything from the government. On 5 February Nirmala Deshpande invited us to her residence where I met P.V. Narasimha Rao and Vasant Sathe, both of whom were Congress MPs at that time. I told Rao that every sector of the economy was coming to a grinding halt and they would have to face this grim situation when they came back to power. Rao referred to the coming budget and said that they did not want to have a regular budget. If it was a hard budget the Congress would be held responsible; if it was a populist, soft budget Chandrashekhar would take the credit. I said that a vote-on-account would create difficulties with the IMF but that they might accept Rajiv Gandhi's assurance and promise. I asked him when they were thinking of toppling the government, and he replied that there was no need for them to bother with this because the government would fall by itself. People would also realize that a non-Congress government had been tried but had failed and would therefore vote for the Congress.

I met Rao again in Delhi a few days later and he enquired about my future plans. When I told him of the Tata offer he said that I should not serve anybody after such a long time in government. When I mentioned politics, he reacted favourably and said that he would speak to the chief minister of Maharashtra, Sharad Pawar.

We finally arrived in Bombay in mid-February 1991. I met Sharad Pawar on 15 March and explained to him that I would like to do what financially independent people do in the UK or the US. They are not active in politics as such but are available for advice or an ad hoc assignment to political leaders. In India there is no such tradition and everybody wants to be a minister, an MLA or an MP. I explained to him about my plans to join the Tata group. When he specifically mentioned politics I told him of my discussion with Narasimha Rao. He spoke to Rao in my presence and Rao advised Pawar to use me in state politics. However, because of my major exposure to Delhi and central politics, I said I would like to work at the central level to further Maharashtra's interests as there was no strong lobby for it in Delhi. Pawar agreed and

said that he would make me the head of some state or public sector corporation with cabinet status; and also consider me for the Rajya Sabha but that he would have to consult Rajiv Gandhi about this on his next visit to Delhi. After a couple of days he said he had spoken to Rajiv Gandhi and that they would get in touch with me. I did not pursue this further as general elections were called soon after.

In March, Anil Bordia, education secretary, called and said he could not arrange for me to chair the governing board of the Indian Institute of Technology, Bombay, in which I was interested but that he could offer me the chairmanship of the National Institute for Training in Industrial Engineering (NITIE) at Powai. I had a very satisfactory tenure with NITIE for two years and was quite happy to ensure that its finances were put on a solid basis and the institute was firmly set on the path of gaining a pre-eminent position in the field of industrial engineering.

I was hoping that Rajiv Gandhi and the Congress would come back with a good majority in the general elections but was dismayed that a cross-section of Bombay's elite and opinion-makers thought that Congress would do no better this time either and would find it difficult to cross mark 200-seat in the Lok Sabha. Some of them even said that Rajiv Gandhi might not get elected from Amethi, with which I strongly disagreed.

On 22 May I was woken up early in the morning with the news of Rajiv Gandhi's assassination. As there was a bandh in Bombay that day I took the morning flight to Delhi on 23 May and went straight to Teen Murti where Navin Chawla, who had been my deputy secretary in the labour ministry, was waiting for me. I went again in the afternoon to see Sonia Gandhi. Navin had arranged for me to join the family group at the cremation ground and I found Mani Shankar Aiyar sitting next to me. When the president, vice-president and prime minister left after the cremation the security cordon was broken by the people and it was with great difficulty that Sonia and her children Priyanka and Rahul were escorted out.

On 25 May I called on the president. He said that Chandrashekhar was too clever for Rajiv to handle and that he had reminded him about his promise to support Chandrashekhar and requested Rajiv Gandhi to give him some more time. He felt Rajiv Gandhi had been persuaded by many around him that Chandrashekhar was becoming increasingly popular and it was time to cut him down to size. The president also

said that Narasimha Rao would be a good choice as a Congress leader and would be acceptable even to the opposition parties.

I told Narasimha Rao that afternoon about the president's remarks and he wondered why this kite flying about a national government was still going on. When I inquired why he was not making an announcement of his candidature for presidentship of the Congress he asked me to consult Sharad Pawar about the timing of the announcement. That evening I met Pawar, who said that he too was trying for the same thing and that he had squared up with Satish Sharma.

I had to go back to Bombay but returned to Delhi on 29 May and met Narasimha Rao that evening after the Congress meeting. I met him again next evening when Satish Sharma was also there. After Sharma left I told Rao that some Bombay industrialists were prepared to give funds for the Congress elections. Rao said that he had asked Sitaram Kesri to see him with the party accounts and to let him know if he needed any help. On 15 June I met Sharad Pawar in Bombay and told him that the Congress would easily get 240 to 270 seats and could form a government on its own without any help from others. He was not very optimistic but hoped for the best. The Congress could not get an absolute majority in the Lok Sabha though it improved its tally from 197 to 231, largely because of the sympathy wave created by Rajiv Gandhi's assassination in the second phase of the elections.

On 17 June I was back in Delhi and met Narasimha Rao who asked me to try to persuade Sharad Pawar not to insist on elections for the Congress Parliamentary Party (CPP) leadership but agree to a consensus. Pawar had an ambition to become the prime minister of India and prove that a Maharashtrian Congressman could become a prime minister. I discussed this with Jairam Ramesh, personal assistant to Narasimha Rao, and we exchanged notes. Jairam said *The Times of India* was apparently backing Pawar and hinting that Rao was the coterie nominee which he resented. He had seen a cartoon in bad taste about Rao a few days earlier. We took a tally of support and found that against the strength of the Congress in Parliament of about 380, Sharad Pawar would have hardly forty or fifty to support him. I tried to meet Pawar at Maharashtra Sadan late that evening and again early next morning but he was not in. When I met Rao that evening he had already met Pawar and tried to persuade him to be with him and help him fight undesirable elements in the Congress.

Next morning, 19 June, I met Rao and told him that Pawar's supporters were still adamant. Later I met Rajesh Pilot who had also tried to bring together Rao, Pawar and Arjun Singh. At about 12:30 p.m. that day I went to *The Times of India* office and met Dilip Padgaonkar, the editor, and Subhash Chakravarti, a senior reporter, and told them that the general feeling was that *The Times* was regularly advocating Pawar's claim and it was not fair to call Rao a choice of the coterie. I gave him my analysis that Pawar did not have the support of more than forty to fifty members and unless he had the support of at least a hundred there was no political sense in forcing an open contest. Padgaonkar saw the logic of what I had said and indicated that *The Times* might consider taking a different line from the next day. I told Rao that afternoon that *The Times* would probably change its stand. I was so sure that he would be elected leader of the Congress Parliamentary Party the next day that I dictated a draft letter from him to the president accepting the invitation to form the government and indicating the day, time and the venue for the swearing-in ceremony of the new Council of Ministers.

The next day I could not attend the meeting of the Congress MPs but Rao was unanimously elected as leader of the party. I missed him at his house that afternoon too. But Chandrashekhar Reddy, secretary of the CPP who was there told me that when he presented the letter about Rao being elected as the leader of the CPP to the president, the president asked to see him at 7.30 p.m. I took Reddy to the residence of Sonia Gandhi at 10 Janpath where Rao was expected to come and meet her. When Rao did come I was surprised and disturbed to see the prime minister-elect of India being made to sit not in the drawing room but in the room of the private secretary, V. George, as he waited to be called by Sonia Gandhi. As he left for Rashtrapati Bhavan to meet the president, he asked me to see him at about 11.00 p.m. I advised him to send the letter to the president early next morning so that the swearing-in ceremony could be organized in a dignified way with no unseemly haste or confusion.

Next morning, on 21 June, at Rao's house I briefed his family members and the SPG officers about the security requirements. The president's secretariat had sent a car for me for the swearing-in ceremony. There I met most of the old faces and congratulated many new ministers whom I had known personally. Potdukhe was pleasantly surprised when he was asked to come forward and be sworn in as a minister of state. Manmohan Singh said that he had been called by Rao

only that morning and told that he was going to be invited to be a cabinet minister. When I went to Rao's house at about 11.00 p.m. he was very tired and already in bed but I left some suggestions for allocation of portfolios, especially as the number of ministers of state holding independent charge was very large.

Next morning I advised Rao to shift to 7 Race Course Road immediately because of security considerations and also suggested that special care be taken about Sonia Gandhi's security. I told Rao that he could call me in Bombay if and when necessary and promised to keep myself free for six months. I saw the president at about 7.00 p.m. He said he had told Rao not to include any member of the so-called coterie and not to have more than thirty ministers and that he could expand the Council of Ministers when the parliamentary session was over. He also hoped that the allocation of portfolios would be more imaginative. He specifically mentioned that his letter to Rao did not mention any vote of confidence as such but asked him to establish his majority in the Lok Sabha within four weeks.

On 23 June 1991 I returned to Bombay. This was the end of my active association with the government and politics in general and with those connected with Delhi in particular.

And this was also the beginning of a new chapter in my life.



# SOME IMPORTANT ISSUES





# 29

## India-Pakistan Relations

**T**HE TENSION THAT HAD DEVELOPED ON THE INDIA-PAKISTAN BORDER in the ~~spring~~ of 1990 again attracted attention in 1993. Seymour Hersh wrote extensively in the March 1993 issue of *The New Yorker*. However, since his observations and statements might create a wrong impression about India, I am setting the record straight as I was principal secretary to the prime minister at that time.

The events of early 1990 can be linked with Operation Brass Tack of the Indian Army in the winter of 1986 and spring of 1987. Seymour Hersh misread that action but I will comment only on the three most important issues. He said that the location was ideal to launch a cross-border operation into Pakistan and cut it into half. This is baseless. Brass Tack could be carried out only in Rajasthan which has a vast expanse of flat terrain. Pakistan also raised the same issue as Hersh because of its perennial but unfounded apprehension that India wants to dismember Pakistan. The Punjabi element that in effect rules over the Pakistani military and political establishments has always found India a very convenient bogey not only to perpetuate its own supremacy in the country but also to keep other provinces under check. We were also informed that at that time President Zia-ul-Haq had held night-long meetings of his cabinet and advisers and discussed bombing of the Bhabha Atomic Research Centre in Bombay and damaging the Bombay High gas complex with the use of midget submarines. Fortunately, wiser counsel must have prevailed, for these steps were not taken and the crisis was diffused in early 1987. It was then decided to establish a permanent hotline between the directors of military intelligence of both

countries so that they could keep each other informed of exercises and/or training operations in the border areas that may be carried out in future.

Hersh's other observation was that during this operation General Krishnaswamy Sundarji decided to include tactical nuclear weapons into the day-to-day field manoeuvres of the troops. This is both baseless and mischievous. As I was closely associated with this from 1986 to 1990 I can categorically state that we did not then have any type of nuclear weapons. Our military chiefs and especially the army chiefs had consistently advocated development of nuclear weapons from mid-1970 onwards. Rajiv Gandhi, however, had very firmly rejected this even though he had always objected to the discriminatory nuclear Non-Proliferation Treaty (NPT) provisions. The defence establishment was asked to prepare plans to counter any foreign threat or aggression without the use of nuclear weapons. We were quite impressed by these plans prepared after playing various war games. Admittedly, it entailed some losses in the initial stages but ultimately the enemy would be taught a lesson and thrown out. However, if such nuclear aggression did happen, India would have no option but to become a nuclear weapon power. In fact, our being situated between two nuclear powers, China and Pakistan, and subjected to provocative actions compelled us to keep our option of going nuclear open. Our experience of American fair play and impartiality has not been happy where Pakistan is concerned. America has pampered Pakistan by giving it generous military and economic help only to contain the USSR. It knew that Pakistan was taking steps to make an atomic bomb yet American presidents continued to certify year after year that Pakistan had no atomic bomb, and even misled their own Congress and their own people about this. There is another important factor. The army rules supreme in Pakistan, to such an extent that even its elected prime minister Benazir Bhutto did not know the real position and had to be told by the Americans in 1989 that Pakistan had actually gone nuclear. Regarding India's other nuclear neighbour, China, we have to be on our guard because of our long-standing boundary dispute and China's friendship and consequent collaboration with Pakistan especially in the field of missile technology. We also noted with apprehension the American attitude towards China when even after the Tiananmen Square incident in June 1989 the country was given the Most Favoured Nation status. Otherwise, too, as a major player in the geopolitics of South Asia, India has to keep its

option open until all the countries in the region agree to a nuclear weapon-free world within a definite time-frame.

There was another special aspect in connection with Pakistan. In case Pakistan thought it could blackmail India only because it had a nuclear bomb and India did not and would therefore not retaliate to Pakistani provocation such as actively helping terrorism in Punjab and Kashmir, then Pakistan was living in a fool's paradise. The Indian army would have given a very effective reply to Pakistan and in case it had actually made an atomic strike in any part of India, the clear mandate to the Indian army would have been to dismember Pakistan for good. The Pakistani army top brass would have then once again been solely responsible for the dismembering of Pakistan.

Hersh's third observation that deserves reply is that General Sundarji had toyed with the idea of moving into Sind and thus dismembering Pakistan. This is another mischievous statement. India has a democratically elected government in power unlike the army in Pakistan. It is thus unthinkable that an Indian army chief would take such an adventurous step on his own. Another rumour was that both the army and the air force were going to attack Kapalu in Pakistani Occupied Kashmir. Rajiv Gandhi was aware of this. After some enquiries through intelligence it was established that both rumours were spread by interested parties mostly at the behest of Pakistani agents and were lapped up by American Intelligence.

As principal secretary to the prime minister, I visited Washington in the summer of 1989 and met the national security adviser to the president, General Brent Scowcroft; deputy secretary of state, Eagleburger; and an under secretary for defence. I explained that we wanted Pakistan to be prosperous and stable as every nation wants such a neighbour. India had enormous domestic problems and we wanted to devote all our time and energies and time to overcoming them and making ours a prosperous nation. We were therefore not interested in creating trouble for Pakistan and hoped that the Pakistani establishment would leave India alone to pursue its economic and social goals.

It would be easier and logical now to view the events of 1990.

Pakistan had come to realize by the late 1970s that it could not take Kashmir away from India by force and would be the loser in any confrontation. President Zia-ul-Haq and his army top brass, therefore, decided to wage a silent, proxy and low-cost war against India by recruiting and training dissatisfied Sikh elements from Indian Punjab

and offering them haven in Pakistani territory. In Kashmir they actively encouraged misguided youth to cross over into Pakistan and be trained as terrorists. There were regular training camps for both in Pakistan. The whole operation was masterminded by the Inter Services Intelligence (ISI), an empire by itself, reporting directly to President Zia. Even after his death it recognized no civilian authority. We could convince the British and the Canadians about the real state of affairs but the Americans just refused to acknowledge even proven facts till the Russian forces were in Afghanistan.

The Pakistani inspired, instigated and actively and generously helped terrorist activities in Punjab reached their crescendo in late 1989; in Kashmir they were slower though on a steady upward curve. A large number of paramilitary forces had to be sent to Kashmir and Punjab. The Pakistani army and the Rangers continued to actively help smuggling of terrorists, weapons and funds into India, giving them cover by starting firing at selected places and time of their choice. In several cases when the terrorists were stopped they would run back into Pakistan for shelter. The ISI had a well-thought-out plan to damage and even neutralize strategic and important communications and supply points in Punjab to immobilize the army and the paramilitary forces from taking any action on the border.

In India, general elections were announced in October 1989. Taking advantage of this the ISI stepped up terrorist activities both in Punjab and Kashmir. The kidnapping of the daughter of the new Indian home minister, Mufti Mohammed Sayeed, and her subsequent release in exchange for freeing some top Kashmiri terrorists, further encouraged terrorism in Kashmir. It was confirmed that an uprising in Kashmir in January 1990 had been masterminded by the ISI.

To take care of these serious internal situations in Punjab and Kashmir army units had to be inducted from our eastern front with some risk as at that time a large army presence had also to be kept in Sri Lanka. The Pakistani army made a hue and cry that we had moved our strike force for the western front but this was absolutely untrue as the forces moved were from the eastern front which is totally dissimilar in terrain and training needs.

And now on to the Pakistani army exercise in Punjab named Zarbe-o-Momin under General Aslam Beg who wanted to prove that they could also stage a tactical training operation as good as General

Sundarji's Brass Tack. Admittedly the Pakistani operation was extremely well planned and competently executed. General S.F. Rodrigues, our Western Army Commander in Punjab, and later the army chief, made a detailed analysis of this operation and noted that the terrain was very similar to that of north Punjab and a part of Jammu. Even the movements planned for the attacking and defending forces replicated the likely theatre of a Pakistani attack in northern Indian Punjab, and the movement of the Pakistani forces to defeat the Indian forces there. We took this up with the American Embassy in India and were told that Pakistan's intentions in staging this exercise were entirely peaceful; that the various Pakistani army units would return to their peacetime stations afterwards; and that the Indian attaché in Pakistan had been invited to see the exercise. This explanation did not impress us as the host country would decide where to take him.

We were definitely worried by the whole emerging situation. When the army exercise was over, the Pakistani units returned to their peacetime stations, but these are very near our Punjab border in the north, especially those of the important Strike Corps of Pakistan. On the Indian side the peacetime stations in Punjab are far from the border as they were so located historically when India was undivided. We again took this up with the American Embassy early in 1990. After consulting its counterpart in Pakistan it said that the Pakistani army was making exactly the same allegation against India and also that we had deployed our strike armour force in Rajasthan. We explained that that is where our test range for firing for tanks, the Mahajan range, is located and every year the Indian Army sends its tank units there for training and test firing. This had happened in the summer of 1990 too. We also invited embassy officials to see the actual situation in the field and they did visit various sites and were satisfied with our explanation.

Pakistan, and especially the ISI, continued to support terrorist activities in Kashmir and Punjab. The Pakistani prime minister, Benazir Bhutto, made an almost hysterical speech during her visit to Pakistani Occupied Kashmir. Sahebzada Yakub Khan, Pakistan's foreign minister, who was passing through India made a highly aggressive statement regarding Kashmir. Pakistan's army chief, General Aslam Beg, was reportedly making very jingoistic remarks about going to war with India, not only to take Kashmir but also to retrieve lost martial glory. President Ghulam Ishaq Khan was reported to be entertaining dreams of re-establishing Pakistani honour.

As the summer of 1990 advanced and with it monsoon in Punjab, our anxiety became very acute as the Pakistani army had carried out its exercise the previous year to correspond with the field conditions during the monsoon. There were definite reports that the ISI would instigate Pakistani-trained terrorists to declare the secession of Kashmir on 14 August and then invite Pakistan to send its army to protect them from Indian forces. Our most natural reaction would have been to move our strike armour units from their peacetime stations to Punjab and deploy them in a purely defensive position. However, our Northern Army Commander assured us that his normal standing strength was sufficient to stop any Pakistani attack until we brought in support from the rear. Public opinion in our border districts in Punjab was also with us. Pakistan was banking on the population of our border districts to not only not give any help to the Indian army, as in the 1965 war, but to obstruct it actively. But these sturdy and patriotic people openly said that if the Pakistani army entered India they would not only stop it but would give full cooperation to the army to throw back the aggressors.

It was at this stage that the American president's personal representative Robert Gates came to visit India and Pakistan. The timing was curious. Obviously, as the situation in the Gulf was worsening, the Americans did not want an adjacent area like the Indian subcontinent to become critical. Another interpretation was that neither the USSR nor the US wanted any upheaval in the sensitive Central Asian region which would be inevitable if a conflict broke out between India and Pakistan. Afghanistan would then most definitely be sucked in, and neither the Americans nor the Russians wanted this to happen. However, the USSR did not send a representative. Gates came to India on 21 May 1990 with Richard Haas and John Kelly. At a meeting with Prime Minister V.P. Singh, Gates said that Pakistan had agreed to close training camps for terrorists and that it had been told not to expect any help if it initiated a war. The American president's personal appeal to us for maintaining peace was conveyed with quiet firmness. Gates made no mention of Pakistan's threat to use nuclear weapons.

We again made it clear that India had no intention of starting any aggression against Pakistan and that the critical situation was the result of Pakistan's covert war against India through proxy terrorist activities in Kashmir and Punjab. We had kept the American embassy in Delhi fully informed and had also taken their officials to the field area to show them the actual position. Normalcy could be brought back only if

Pakistan stopped its aid to terrorist activities; until this happened, the tension along the border was bound to continue.

As confidence-building measures we reiterated that both India and Pakistan should make fuller use of the hotline between their directors of military intelligence and keep each other informed of any army exercise in the border areas. In addition we made three specific suggestions:

- i. Joint patrolling along the border (which Pakistan was not agreeing to as it did not want to accept the principle of hot pursuit);
- ii. Setting up a system to verify that in future Pakistan would not open any training camps for terrorists;
- iii. Pakistan handing over to the US the Sikh terrorist who had admitted that he was to assassinate an Indian political leader and had then gone to the US for eye treatment and from there escaped into Pakistan.

Though Gates thought that these three requirements were reasonable, nothing came of them. The Gates mission did dampen Pakistan's aggressive intentions and the tension along the Indo-Pakistani border settled down. The political situation in Pakistan also became more fluid as relations between President Ghulam Ishaq Khan and Prime Minister Benazir Bhutto became increasingly sour.

It must be said that for using Pakistan as an opening to China and also as a conduit and a base for its proxy war against the USSR, especially in Afghanistan, the Americans paid a monstrously high price in the shape of Pakistan's nuclear bomb. This, however, is history and one can only hope that for short-term gain the US government in future will not look the other way if the Pakistani army top brass turns Pakistan into a rogue state.

*(I wrote the above in August 1993 and find myself fully justified in my prognosis. The Pakistani army created the Taliban in Afghanistan which became home to international terrorism, affecting not only India but the whole civilized world.)*

## Sri Lankan Affairs

*T*HOUGH GENERALLY AWARE OF THE PROBLEMS FACED BY ETHNIC Tamils in Sri Lanka, I was not directly involved. There were many moderate and militant Tamil groups but the Liberation Tigers of Tamil Eelam (LTTE) had gradually become the most dominant one. It was not only well organized, trained and equipped with weapons, but freely indulged in violence against Sri Lankans, both civil and army. By the beginning of 1985 a new peak was reached in violence and tension. India was keen to play a mediating role between the Sri Lankan Tamils and the Sinhalese. It wanted to secure for the Tamils their legitimate rights but at the same time ensure the sovereignty and integrity of Sri Lanka. Rajiv Gandhi had also started to change the government's pro-Tamil militant tilt from Indira Gandhi's days.

During the SAARC Conference in Bangalore on 17-18 November 1986, Rajiv Gandhi tried to work out some sort of a settlement of this ethnic problem, but unfortunately, President J.R. Jayewardene and the LTTE leader Vellupillai Prabhakaran could not be persuaded to come to an understanding. One direct fallout of this failure was the tough stand we took against Prabhakaran. All the communication equipment with the LTTE and other militant groups in Tamil Nadu was confiscated. In protest, Prabhakaran went on a fast and broke it only when the confiscated equipment was returned to him by the state government. But the message to him was clear: that he could not behave as he liked and still count on the support of the state government and the Government of India. He therefore started shifting his base of operations from India to Sri Lanka by December 1986 and January 1987.



The Sri Lankan matter was being handled by Rajiv Gandhi personally, even though this should have been done by the external affairs minister. There were five external affairs ministers between 1985 and 1989, yet Rajiv Gandhi thought it was enough to keep them informed only when absolutely necessary. Natwar Singh was appointed minister of state in the external affairs ministry in 1987 and Rajiv Gandhi used his services and those of P. Chidambaram, minister of state for home affairs who came from Tamil Nadu and had intimate knowledge of the local conditions there. He also used M.G. Ramachandran, chief minister of Tamil Nadu, and his junior minister, P.S. Ramachandran to speak to the Tamil Sri Lankans operating in that state. Rajiv Gandhi also depended on an official group consisting of Gopi Arora and Ronen Sen from the PMO; the foreign secretary, Romesh Bhandari; the director of the Intelligence Bureau, M.K. Narayanan who too came from Tamil Nadu; and the secretary of the Research and Analysis Wing (RAW), S.E. Joshi and then Anand Verma.

After Prabhakaran shifted to Jaffna in January 1987, the violence there started escalating. Ranasinghe Premadasa, the Sri Lankan prime minister and Lalith Athulathmudali, the defence minister, were totally opposed to the grievances and claims of the ethnic Tamils in Sri Lanka. President Jayewardene also started becoming more hawkish. Special task forces were raised and their officers sent to Israel and Pakistan for special training. Some of them were even attached to the ISI of Pakistan. The Sinhalese militant group, Janta Vimukti Peramuna (JVP), that was openly supported by the Buddhist clergy, as well as by Premadasa, too started becoming more aggressive. Further Pakistan with Saudi Arabia and Iran also started a campaign to create a rift between the Muslims and Hindus amongst the Tamils. The LTTE, which had started as a small group, had by this time become the most overwhelming Tamil militant group with very powerful links, both political and economic, in Southeast Asia, Europe and the US. As the Sri Lankan government's response to the Tamil aspirations became increasingly hawkish, the LTTE's response also became more violent. This only strengthened Premadasa and Lalith Athulathmudali and others in the campaign to start a strong military operation against the LTTE. The conflict and violence between the Sri Lankan government forces and LTTE militants went on escalating. There was a blockade against Jaffna that stopped food supplies and even salt and kerosene. The army operations also created a large number of refugees – about 100,000 in Jaffna alone.

Aerial bombing was resorted to freely. The LTTE's response was equally intense and violent.

During this period of our acute anxiety, Rajiv Gandhi sent Dinesh Singh as his emissary on 13 March 1987. Jayewardene made a gesture to declare a cease-fire for ten days, but laid down that the Tamil militants also give a clear signal about discontinuing violence and enter into political negotiations. The cease-fire was to begin from 11 April.

But the LTTE really queered the pitch. On 17 April, they massacred 127 Sinhalese civilians, including women and children, travelling in a bus on the Trincomalee-Kandy Road, and again on 21 April exploded a bomb in Colombo at the central bus station killing 107 civilians and injuring about 300. This only infuriated the Sri Lankans and Jayewardene gave the go-ahead to an attack by the army with a divisional strength. It was reported to us that he directed the military commanders to flatten Jaffna to the ground. This was in the last week of May.

Thoroughly distressed, Rajiv Gandhi called a meeting of the Cabinet Committee on Political Affairs (CCPA) to discuss how to send relief to the beleaguered Jaffna population. One suggestion was to send essential commodities by sea. I said this might fail if the Sri Lanka navy stopped our ships unless we also sent our naval ships to engage them and allow our ships to proceed. Such a contingency was, however, not envisaged. It was finally decided that we should take the risk as it would clearly show our intention of helping the Jaffna population and put the Sri Lankans in a tight spot. And this is exactly what happened. About twenty Indian fishing boats carrying some forty tonnes of supplies reached Jaffna waters in the afternoon of 2 June. Sri Lanka's naval ships blocked them and asked them to return. Our coastguard vessel *Vikram* was quite capable of taking them on but the captain returned as he was specifically asked not to take any such action.

Rajiv Gandhi then called another meeting of the CCPA to discuss the last option of aerial supplies. It was clearly understood that even though this may not be an act of war against Sri Lanka it would clearly mean violating its sovereignty. Some ministers were not too happy with this but the assessment by Chidambaram and Narayanan, who both had a close knowledge of the Tamil situation, was that if we did not send supplies and Jaffna fell to Sri Lankan forces, the Tamil population would be subjected to very harsh treatment and the Tamil population in Tamil Nadu would rise in revolt. Though Rajiv Gandhi was fully committed to protect the sovereignty and unity of Sri Lanka, this assessment

influenced the CCPA and supplies were dropped over Jaffna by Indian Air Force planes escorted by fighters in the early afternoon of 4 June. Of course there was a violent reaction from Sri Lanka and a hostile reaction from Pakistan, China and Bangladesh. Western countries thoroughly appreciated our compulsions and political necessity. Sri Lanka also did not pursue the idea of going to the UN Security Council.

The next important development was the finalization and signing of the Indo-Sri Lanka Accord by Rajiv Gandhi and Jayewardene on 29 July. It ensured Sri Lanka's territorial unity and integrity and at the same time met all the legitimate aspirations of the Tamils. India stood as a guarantor and Sri Lanka would take care of India's strategic and security concerns.

We wanted to keep the top leadership of the LTTE fully informed and Prabhakaran was brought to Delhi for this purpose. M.G. Ramachandran and other politicians and N. Ram, editor of *The Hindu*, said that the agreement would be acceptable to the LTTE, but many of us had serious doubts about its intentions and reliability. M.K. Narayanan, director, IB, was one of them. But the director of RAW was quite confident: 'They knew the LTTE better than anybody and they were sure to make the LTTE agree.' Rajiv Gandhi consulted General Sundarji, who in his usual flamboyant style said, 'If the LTTE does not agree and wants to take on the Indian Army we will finish them within a week or ten days.'

Rajiv Gandhi went to Colombo on 29 July to sign the agreement. In a well-known incident he received a blow in his neck from a naval rating as he was inspecting the Sri Lankan Guard of Honour. On his return, in a humorous interview at the airport he was asked, 'How is the pain in the neck?' referring to this blow. He jokingly said, 'Not as bad as him' (apparently referring to President Zail Singh).

India was fully committed to guarantee the implementation of the proposals and to accede to any request from Sri Lanka to extend military assistance for this purpose. Indian forces were therefore sent to Sri Lanka at the specific request of the president of Sri Lanka. After the Indian Peace Keeping Force (IPKF) arrived there in the first week of August, I set up a group in the cabinet secretariat consisting of the foreign secretary, home secretary, defence secretary, director IB, director RAW and director, Military Intelligence to regularly review the situation in the light of the substantial IPKF presence. At these meetings there were rather unpleasant differences between RAW, IB and the defence ministry. The foreign secretary was not very happy with RAW.

This, of course, had a background. RAW had been a major instrument of government for handling Sri Lanka and it almost had a blank cheque as it was reporting directly to Rajiv Gandhi. It now found this freedom of action being heavily compromised. Even then it pursued its separate line of action, often not sharing this with the other agencies and this led to awkward situations, such as the army dealing sternly with a person who turned out to be a RAW agent. We did our best to sort out these difficulties but this was one of the major reasons for our not having a coordinated policy.

The army especially was most unhappy. General Sundarji was personally embarrassed as the IPKF could not control and subdue the LTTE as he had promised. The army then blamed both IB and RAW for not briefing it properly about the weaponry possessed by the LTTE or its morale and staying power. In reply RAW and IB said the army itself was responsible because of its overconfidence and underestimation of the enemy, that is, LTTE.

The fact, however, was that the army was fighting the LTTE with one hand tied behind its back. Its brief was to subdue the LTTE but not emasculate it to the extent that it would not be able to face the Sri Lankan army alone if it became necessary in the future in case the political situation so developed. The secretaries' committee was very concerned when Prabhakaran sabotaged the formation of the Interim Administrative Council for the northern and eastern provinces by not agreeing to Jayewardene's nomination of Sri Shivagnanam as chief administrator even though his name was in the panel given by Prabhakaran. He insisted that Padhmanathan should be the chief administrator. Of course Jayewardene could not agree to this *volte-face* by Prabhakaran and the whole project of setting up an interim council fell through. The LTTE openly announced that it was not interested in any political move to set up an interim administrative council. Efforts were being made by India to work out some compromise between the Sinhalese majority and the Tamil militant forces, to neutralize the LTTE and to get civil administration going in the northeast. However, the whole picture was thoroughly unstable.

The situation was further complicated in the first week of October when the Sri Lankan navy apprehended a group of senior LTTE workers transporting arms and ammunition through the Palk Straits. The group of seventeen was brought to the Palay air base. Lalith Athulathmudali and Premadasa gave orders to bring this group to Colombo to stand

trial for various offences and crimes committed by them. The secretaries' committee discussed this and came to the conclusion that taking the LTTE cadres to Colombo would completely vitiate the atmosphere and therefore the IPKF should step in and take over their custody. Athulathmudali then threatened that he would resign from the cabinet if the LTTE prisoners were not allowed to be brought to Colombo. This was a sudden development and we left the final decision to the prime minister. But an unfortunate development solved the problem. The Sri Lankan authorities had allowed some LTTE leaders to meet the prisoners and give them food and medicines. These visitors apparently passed on cyanide capsules to the prisoners who swallowed them and died.

This sealed the fate of the Sri Lankan agreement.

In the meantime Natwar Singh, minister of state in the external affairs ministry persuaded the prime minister to disband the secretaries' committee and we therefore did not deal with the matter any further.

Premadasa was elected president in January 1989. He started covert operations of establishing contacts with the LTTE and arming them to some extent to fight the IPKF. He also started an active campaign pressurizing Rajiv Gandhi to re-negotiate a new treaty and withdraw the IPKF by July 1989. He went one step further and removed the ban against the LTTE saying that it was now a recognized political party with which the Sri Lankan government could have open dealings. He even wanted himself to be declared as supreme commander of the IPKF.

Rajiv Gandhi sent me as his personal emissary to Sri Lanka in the first week of July 1989. I called on President Premadasa and delivered Rajiv Gandhi's letter in which he had made it very clear that the IPKF would not be withdrawn till it had fully implemented the provisions of the agreement. He was confident that the IPKF was making good progress and that by mid- or late 1990 it would be possible to start its withdrawal from Sri Lanka. Premadasa was not only taken aback but thoroughly distressed and angry because he was apparently expecting a more favourable response regarding withdrawal of the IPKF.

During my visit Lakhan Malhotra, our high commissioner, and General Kalkat, Commander of the IPKF, briefed me fully on the situation. I also met Sirimavo Bandarnaike, her daughter Chandrika Kumaratunga who later became president, Lalith Athulathmudali and Gamini Disanayake. The foreign minister hosted a dinner for me where I met a wider circle. On farewell visit to Premadasa, he made a very

prophetic remark saying, 'Mr Deshmukh, your next visit to Sri Lanka will be to attend my funeral.' I left Sri Lanka with a feeling of forebodings. On my return I briefed Rajiv Gandhi. Premadasa was assassinated on 1 May 1993.

V.P. Singh succeeded Rajiv Gandhi as prime minister in December 1989. He announced withdrawal of the IPKF in January 1990 and said that it would be completed by end March. It must be said that this policy completely wiped out whatever progress India had made towards sorting out the ethnic problem in Sri Lanka. A disgraceful attitude was also exhibited towards the IPKF when the last contingent landed in Madras and was treated most shabbily by the Karunanidhi government. The pro-LTTE section in Tamil Nadu even described it as the 'Indian Tamil Killing Force'. It was a most ungrateful act of the V.P. Singh and Tamil Nadu governments towards a fine force that had fought in the national interest.

The Sri Lankan affair also created and nurtured a cult of violence in Tamil Nadu. The central government conducted training camps for Sri Lankan militants and liberally equipped them with arms. The state government gave them all help and full freedom not only of movement but also of collecting money for arms. In fact M.G. Ramachandran, the chief minister openly gave a huge donation for this purpose. The militants defiantly imported arms from outside which resulted in their free availability throughout Tamil Nadu. Local youth were attracted to the culture of violence and practised and enjoyed the use of force for illegal activities including extortion. This type of criminal activity does not recognize state borders. As a result it slowly spread into the adjoining states in southern India, the coastal areas of Tamil Nadu in particular being very badly affected. These areas, once prosperous, slowly degenerated into a no man's land, inhabited and patronized mostly by smugglers. This was a heavy price to pay for encouraging and harbouring Sri Lankan militants.

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## On Jammu and Kashmir

*T*HE KASHMIR VALLEY HAD BEEN WITH US TILL THE LATE 1980s, A subject of romance because of the vision it conjured up of snow-clad mountains, lush forests, apple orchards and the Dal Lake, where luxurious houseboats are parked and fruits and flowers are sold from boats. I first visited Srinagar in 1957, and again in 1978-79 to attend a meeting of the Northern Zonal Council as I was additional secretary in the home ministry.

My next visit to Jammu was in 1983-84 when I was secretary, rehabilitation. Many refugees from Punjab and the Frontier Province had crossed into Jammu in the aftermath of Partition and had been living literally stateless as they could not be made citizens under the special laws of the state. They reiterated that they should be made citizens of the state with full voting rights and also be allotted lands and properties left behind by those who had gone to Pakistan after Partition. It was an attractive and a desirable idea to settle these sturdy refugees along the cease-fire line to check infiltration from Pakistan more effectively. Nothing could, however, be done for them because of the peculiar legal position and the political and popular compulsions then prevailing, and the plight of these refugees still continues to be the same.

By the time I came back to Delhi in 1986 as cabinet secretary and had to deal with the state far more closely, the conditions had changed drastically.

Farooq Abdullah of the National Conference had been dismissed as chief minister in July 1984 by Governor Jagmohan in a most blatant act of political vendetta unleashed by the Congress party as it had been

kept out of power since his father Sheikh Abdullah had come back as chief minister in 1973. The governor had then installed Farooq's brother-in-law G.M. Shah as chief minister but even he had to vacate his office in March 1986. The Congress party was keen to have a coalition with Farooq as it had had no voice in the running of the state after the 1973 accord. Rajesh Pilot had worked out the deal and Farooq again became chief minister in November 1986. Fresh elections were held in March 1987 and a composite ministry was formed by Farooq consisting of both the National Conference and the Congress.

Even at that time we were not too sure how this new arrangement would work. From 1973 onwards, the state government had kept a distance from the central government and due to political compulsions had always claimed that it was not dealing fairly with the state. The Kashmiris always referred to India as something outside their state. It was therefore felt that even though Farooq had hammered out a partnership with the Congress, the field cadres of the National Conference as also the local population of Kashmir had not been brought into the mainstream, and unless this was done, the coalition may not succeed.

The relationship between Farooq Abdullah and Rajiv Gandhi was quite close, at least in the beginning, but Rajiv's advisers on Kashmir did not think well of Farooq. Initially, these advisers were Arun Nehru, M.L. Fotedar and Mufti Mohammed Sayeed. Both Arun Nehru and Mufti Saheb left and Mohammad Shafi Qureshi and Ghulam Nabi Azad came on the scene. Rajesh Pilot who was drafted later had an open mind and gave objective advice to Rajiv Gandhi, but it was not taken seriously by the Congress high command which could not forget Farooq's role in organizing a meeting with India's opposition leaders in October 1983. These leaders included such stalwarts as Chandrashekhar, Jagjivan Ram, Biju Patnaik, N.T. Rama Rao, S.S. Barnala, Jyoti Basu and many others who hammered out what is known as the Srinagar Declaration. This contained recommendations on vital national issues such as the role of the Finance Commission, the functioning of the Planning Commission, the role of the governors, the sharing of resources between the centre and the states and many others. Congress leaders therefore were very wary of Farooq and some of them would invoke past events such as his visit in the 1970s to 'Azad Kashmir' in Pakistan to cast doubts on his loyalty to India. This was most unfair to him. I have always argued that Farooq is one of the few leaders of Jammu and Kashmir who have always



stood by the state's accession to India and against any power, especially Pakistan, which not only challenged this but even subverted it. The ministers who advised Rajiv Gandhi on Kashmir were P.V. Narasimha Rao, Buta Singh, Shiv Shankar and others but this group met irregularly and at long intervals and was therefore mostly non-functional.

Because of these factors the honeymoon between the Congress and Farooq Abdullah came to an end very early and the strain became quite visible. Farooq would find it difficult to get an appointment to see Rajiv Gandhi in Delhi. He was either made to cool his heels or sent on fruitless rounds of visits and consultations with other ministers or even Congress leaders. The unseemly row about the choice of a speaker was an open secret. Originally it was agreed that the speaker would be from the National Conference but Rajiv Gandhi was persuaded by his advisers to reconsider this. Finally he insisted that the speaker had to be from the Congress party and Farooq had to agree. Another instance was the expansion of the cabinet in April 1989. Farooq was firm that he would not be made to wait for Congress leaders in Delhi to make up their minds about their nominees and went ahead and had his own nominees from the National Conference sworn in.

This uneasy if not adverse relationship seriously compromised another measure that was otherwise a desirable one for the state. The Jamaat-e-Islami was running a number of madrasas and indoctrinating the younger generation but this also ensured its presence all over the Valley to propagate its philosophy against the government and against India. Farooq realized the danger of these activities and rightly decided that his government should take over the primary education from these madrasas. Detailed and protracted discussions were held with Delhi but it depended on financial help from Delhi which was not at all large compared to the results that would have been achieved. The central government dragged its feet and by April 1989 Farooq had to give this up but he was very bitter about it.

However, Farooq too committed some grave mistakes which cost him dearly. One was the hike in electricity charges. In the severe winter of Kashmir, many people use electricity for heating purposes. Diesel and kerosene had to be brought via long-winding roads through the Banihal pass and therefore became costly. Wood was scarce, especially near Srinagar. Further, because of the state government's policy of subsidizing essential commodities, electricity charges were also subsidized – while it cost the state government 82 paise per unit the public paid only 28

paise per unit. Farooq's step was fully justified on economic grounds. But there was such a strong public reaction, naturally incited by the opposition parties, that he had to give in and restore the old rate structure. Obviously Farooq had not anticipated this reaction.

Another action of Farooq's that evoked strong public reaction, but this time in Jammu, was the trimming down of what is popularly known as the Darbar Move to Jammu from Srinagar during the winter months. It was a long tradition in Jammu and Kashmir that the whole paraphernalia of the state government shifted from Srinagar to Jammu to escape the winter of Kashmir. This not only entailed a huge expenditure for the state but also created problems for Jammu's citizens as the civic infrastructure there came under severe strain. At a rough estimate this cost the state government about Rs 10 crore annually. Farooq's proposal was that only a few departments continue to shift to Jammu while the chief minister and other ministers concerned would shuttle between the two places. This would not only save money for the state government but the problems of Srinagar and the Valley during winter would also receive better attention. The discontent in Jammu flared up and people there staged a mass agitation. Also, there was an anti-government reaction in Kashmir and the Bar Association there demanded that Srinagar should be the permanent capital. The central government then stepped in and Home Minister Buta Singh came to Srinagar and made Farooq withdraw his decision. Farooq lost both in Jammu and Kashmir as the former thought that he was not fair to it and the latter that he was a weakling. The Congress which was strong in Jammu could have played a more constructive role but decided not to.

The P. Namgyal affair was even more extraordinary. Namgyal came from Ladakh and was a deputy minister in Rajiv Gandhi's cabinet. In August 1989 he formed a Buddhist action plan and started an agitation for declaring the Buddhists of Ladakh as scheduled tribes. Farooq was not against this proposal in principle as he himself had suggested such status for people from certain backward hill areas in the state. But Delhi did nothing to help him and did not even give him extra paramilitary forces to deal with the agitation. Farooq had to send extra state police forces for this purpose when they were sorely needed in the Valley to deal with militants. We could not understand this as it was quite clear that Namgyal's agitation was either deliberately perpetrated on Farooq Abdullah or was just a misadventure allowed to occur through default.

We were becoming concerned with the rise in militancy in Jammu and Kashmir. It was an open secret that terrorist activities were not only getting cross-border support from Pakistan, but the Government of Pakistan itself through the ISI was actively involved in this. There were a number of training camps in POK and in other areas.

The elections of March 1987 became a landmark. Until then, terrorism and insurgency had been fully under control. There were many outfits indulging in such activities but they were not such as to cause undue anxiety to the state authorities. The 1986 understanding between the National Conference and the Congress was fully exploited by these forces who called it a selling off of Kashmiri interests by Farooq Abdullah to New Delhi. Many of these religious and political organizations such as the Jamaat-e-Islami, Jamaat-e-Tulaba and others came together to form the United Muslim Front under the Shia leader Maulvi Abbas Ansari with enthusiastic support from educated unemployed Muslim youth. Even though Muslims formed a sizeable part of the population of the state, they had a very poor representation in the central government and nationalized banks. It was 1.5 per cent in the banking sector. There were no Muslims in the customs and central excise department and only 11 per cent in the accountant general's office. Even in the state government they formed 40 per cent of the employees, and in the public sector HMT factory in Kashmir only 19 per cent.

In September 1986 the United Muslim Front was disbanded and its place taken by a new Muslim front called Muslim United Front. Its sole objective was 'to protect and safeguard the basic rights of the Muslim majority in Jammu and Kashmir', with Professor Abdul Ghani as its spokesman. It did not question the accession of the state and also declared its intention to participate in the state elections. Pre-election activities naturally created clashes between the National Conference and the Muslim United Front. On 1 March 1987 three of its candidates were arrested among whom was Mohammad Yusuf Shah, who later became well known as the supreme commander of the Hizbul *mujahideen*. Many observers felt that its chances in the elections were very slim and it was not expected to do well in the multi-party elections.

The percentage of voting in the election was well above 50 per cent. The National Conference with Congress did extremely well in winning seats. The Muslim United Front however could win only five seats while

its percentage of votes polled was 30. There were allegations of large-scale rigging and booth capturing. The defeat of Mohammad Yusuf Shah was really intriguing as he was leading by a big margin till the last round. Many United Front candidates and their workers were then put behind bars including not only Mohammad Yusuf Shah but also his election agent Mohammad Yasin Malik. The Muslim United Front head office was sealed and its sixty workers were arrested.

This treatment of the Muslim United Front probably gave a big fillip to the terrorist movement in Jammu and Kashmir. Many of its workers would meet in the jails and plan their future action which included going over to Azad Kashmir for training and returning with arms to fight against India. Unfortunately, this proved to be true. If only they had been treated fairly and well in the elections and been allowed to play their legitimate role in the elections and thereafter in state politics they might not have turned terrorist or become terrorist leaders like Mohammad Yusuf Shah and Mohammad Yasin Malik. Both National Conference and Congress leaders continued to deny any malpractices in the elections but the general impression was that there was substantial rigging in those constituencies from which prominent Muslim United Front candidates were contesting. It is a pity that the March 1987 elections, expected to bring religious and political opposition parties into the mainstream, turned out to become a landmark which saw an increased number of Kashmiri youths going over to into Azad Kashmir for training and arms and returning thereafter to wage insurgency in a more organized way.

Till mid-1989, when the fallout of the ending of the Afghan war really started hitting us with full force, the conditions in the state were firmly under control. I had joined the prime minister's office in March 1989 and visited Jammu and Kashmir in June 1989 to get a first-hand impression and information after almost five years. The group of ministers on Kashmir was mostly non-functional and in the turmoil of other major issues we had almost forgotten Kashmir.

In Srinagar I could move freely without any paramilitary or army escort but was aghast at the squalor, dirt and general poverty there. The difference between government colonies and hotels and the areas where ordinary citizens lived was a real eye opener. I had with me details of urban improvements and urban renewal schemes for Srinagar and knew that large amounts had been sanctioned by the central government. The money was shown to have been spent but with no results on the ground. People were living in squalid conditions and had not heard of public

housing sanctioned by the government. Apparently, the State Housing Board was not doing much even though liberal funds were provided for public housing.

Outside Srinagar on the Baramullah Road at a fairly big village, young people crowded around me, many of them educated but with no jobs or employment. No government officials visited them. I explained that there were many government schemes to help them, but when I questioned the government officials accompanying me they had no answer. At Baramullah the same story was repeated. In Sopore, I visited a government primary school that was in a highly dilapidated condition, with rickety furniture and no other facilities at all. Half the government teachers were not present in the school. Money had been sanctioned for the repairs of the school and had been spent but without anything to show for it. In contrast, a school conducted by the Jamaat-e-Islami was clean and pleasant and the children were enjoying their classes. The teachers seemed to be committed to the children. Even a layperson could see why the Jamaat-e-Islami schools were popular and heavily patronized compared to the government primary schools where huge amounts were spent.

The Valley was short of electricity as its share was not being lifted from a hydroelectric project down in the plains. The transmission line had been sanctioned but the state energy minister was insisting that the work be carried out by his department and not by the central public sector undertaking to which it had been entrusted even though the state department did not have the competence or resources to undertake and complete it. The only reason why the state minister was objecting was that he wanted a share in the patronage. The chief secretary said that the scheme for installing a power generation turbine station based on gas was ready but he was finding it difficult to get it cleared with an assured supply of fuel.

During my visit I became acutely aware of the extent of corruption in the Valley. We had heard of the rampant corruption during the tenure of Bakshi Ghulam Mohammed but one had to see how pervasive was this to understand why the common man was so disgusted with the government. We would say that the terrorist movement was making the population dissatisfied but we never appreciated that it was our own actions that had created a fertile field for exploitation by militants. It was openly talked about in the Valley that public money, both state and central, was largely appropriated by a few select families who were in

the good books of local leaders. One could see the lavish entertainment offered by these families and the large number of luxurious mansions and houses that had been constructed with no apparent source of wealth. Even terrorist elements claimed their share in government funds sanctioned and spent for various schemes and public works.

Another striking aspect was the isolation of the Valley from other parts of India and especially of the educated well-to-do middle-class Muslims. I suggested that Farooq Abdullah give me a list of educated young boys from influential Muslim families and I could work out a scheme to send them to good educational institutions outside the state and try to find good jobs for them later. This would create an influential section amongst Muslim opinion-makers sympathetic to national interests. There was also no proper leave travel concession scheme for state government servants, under which they could visit places in India with family members once in three years. I thought this would encourage state employees to come out of the Valley and see what was happening in other parts of India and hopefully change their attitude towards Delhi. The extra funds required for this purpose were not at all substantial but Farooq Abdullah was not able to push it through. Raising some battalions of central paramilitary forces from the Valley could also have given employment to able-bodied young men. I was told that recruitment was not difficult and even though they were reluctant to leave and go to other parts of India they would not be a security risk with their weapons.

The senior officers in the state secretariat were a very fine group of IAS and IPS officers who were enthusiastic and committed. It was a pity that they had to work under such adverse conditions but there was full rapport between the Kashmiri officers and those from outside.

Jagmohan's term as governor was about to expire and Farooq hinted that he had asked some months earlier for me to replace him. I was not interested and later came to know that even the prime minister had not been willing to spare me. Ultimately General Krishna Rao, the governor in the Northeast, was selected and took over in July 1989.

I was very sad with what I saw in the Valley and briefed the group of ministers and the prime minister. Intelligence Bureau officials corroborated this. It was a pity that their reports were either not read or not acted upon in Delhi. It must be repeated that Kashmir was just forgotten in Delhi and it was only by the actions of the paramilitary,

security and armed forces and Farooq Abdullah's standing with the people that the situation had until then not exploded.

But the situation did explode at the end of 1989. Terrorists and militants who had been trained in Pakistan for the Afghan war were let loose on Kashmir. They carried highly sophisticated weaponry and enough funds. In addition, a large number of Kashmiri youth had crossed into Azad Kashmir and they were now coming back fully trained and armed. The November 1989 general elections saw a change of government in Delhi and maybe Pakistan thought that the new coalition government of V.P. Singh could be easily pushed around. Terrorist activities reached a crescendo in November and December 1989 and there was general apprehension that the celebration of Republic Day on 26 January would be the flashpoint.

At that time *Newstrack* was regularly shown on Doordarshan and it once featured crowds of people protesting openly in Srinagar as if there was going to be a revolution in the Valley. The prime minister was very upset that such a clear picture and news of anti-national insurgency and terrorism had appeared on national television and I had to explain to him that to withhold this would only damage our credibility when foreign news channels were openly showing those scenes. Nonetheless, we had to instruct Doordarshan to be more discreet in this matter.

Rubaiya, the daughter of the union home minister, Mufti Mohammad Sayeed, was kidnapped on 8 December 1989. This was very badly handled by Delhi and led to serious after-effects. The mastermind behind the kidnapping, the Jammu and Kashmir Liberation Front (JKLF) demanded the release of top five militants in exchange for her. The kidnapping however was not taken well even by the Muslim population of the Valley as they thought that it was an act of cowardice to kidnap an 'innocent Muslim girl'. During the absence of Farooq Abdullah from Srinagar, Chief Secretary Moosa Raza and the local Intelligence Bureau officers had been conducting negotiations. Intense pressure was building up against the kidnappers not only from within the Valley but from outside too. Muslim leaders from all parts of India soundly condemned the act. The chief secretary was therefore quite hopeful of having the girl released without any militants in exchange. But then started the bungling from Delhi. Since the home minister's daughter was involved, V.P. Singh and his colleagues were very anxious. At Mufti Mohammed Saheb's suggestion, M.L. Bhat, a Kashmiri judge outside the state, entered the scene as a negotiator. Central ministers

Arif Mohammed Khan and I.K. Gujral were also sent to Srinagar. The Intelligence Bureau director told me that the chief minister and the chief secretary in Srinagar were quite confident of getting the girl released, but V.P. Singh's cabinet did not want to take any risk. At the meeting at the prime minister's residence T.N. Seshan, cabinet secretary, shouted on the telephone at the chief secretary in Srinagar demanding why the five militants were not being released. He was not prepared to accept Moosa Raza's explanation and arrogantly asked whether Raza knew that he was talking to the cabinet secretary of India! The release of the militants, forced on the chief minister, had disastrous results; it only fuelled militant activities further as militants thought that the new central government had no will to face them.

Our intelligence agencies told me how such hostage problems were dealt with in other countries and the practice followed by the ISI in Pakistan and by some countries in the Middle East. Those countries had high-security prisons for militants and terrorists whose release, it was apprehended, would be demanded by their outfits after the latter took hostages. These outfits were clearly told that if any harm was caused to the hostages, the terrorist prisoners would be shot dead and it would be said that they were killed while trying to escape. Such practices were quite effective while dealing with terrorist outfits that take hostages for getting prisoners released. Of course, we in India are too civilized to adopt such practices.

It was expected that General Krishna Rao would be shifted as governor as he was closely associated with the previous Congress government and it was natural that the new government would like to have its own man to pursue its new policies. When Jagmohan's name came up I told both the prime minister and the home minister that this would force Farooq Abdullah to resign as chief minister as he had been so shamelessly removed by Jagmohan five years earlier in 1984. Farooq tried not to have Jagmohan sent through his old contact with the leftist parties, now one of the main supporters of the government from outside. But to no avail. Either he did not try with the BJP or that party did not say anything against Jagmohan. A whispering campaign was therefore started by the Congress that Jagmohan was a BJP candidate and communal in outlook. His appointment was announced on 19 January 1990 and Farooq resigned as chief minister early next morning.

Jagmohan's tenure from day one was very controversial. His reputation was that of a hard taskmaster and hardliner as far as law and



order was concerned. During his previous tenure he had tried to tone up the administration and also carried out many projects and schemes which were much appreciated by the public. But this time he was seen as somebody who had been especially selected to put militancy down firmly. And the very first day all hell broke loose. In a major crackdown on 19 January Saxena, head of police, rounded up about three hundred suspected militants at a place called Gaukadal. Through sheer ineptitude of the police about fifty demonstrators were shot dead in the fracas. Even though Jagmohan was in no way concerned with this, and had not even been able to reach Srinagar as planned on 20 January because of bad weather, his opponents blamed him for arranging the shooting of the demonstrators to show the militants what to expect from him. Violence escalated and the shooting in Lal Bazar on 21 March 1990 only accentuated this threat.

Jagmohan dissolved the state assembly on 19 February. We were completely taken aback as there had been no prior consultation with us or any clearance asked for, though, according to him, he had these powers as governor under the state constitution unlike the provisions of Article 356 under our Constitution. The prime minister was very upset with Jagmohan and made his mind very clear to all. Jagmohan's argument was that he did not have full loyalty and obedience from the state officials as they expected Farooq would come back as chief minister if the state assembly remained in existence. By dissolving it he wanted to make it clear to them that they must carry out his orders fully. On the prime minister's instructions we examined whether the president could exercise his inherent powers under the Constitution to set aside any action of a governor to cancel the dissolution of the assembly, which would then logically stand revived. The legal advice, however, was that if the governor's notification was set aside an assembly once dissolved stands dissolved and cannot be revived. We therefore gave up this proposal.

All political parties, however, put pressure on the president and prime minister regarding the situation in the state. An all-party delegation with Deputy Prime Minister Devi Lal and Rajiv Gandhi visited Srinagar on 9 March. Jagmohan again made a *faux pas* by not being present at the airport to receive the deputy prime minister. Even the seating arrangement for the meeting with the governor became a matter for bickering. This gave an opportunity to Rajiv Gandhi to create a rumpus.

The prime minister had apparently come to the conclusion that he should personally deal with the state and not leave it to the home minister and decided that Railway Minister George Fernandes should look after Jammu and Kashmir affairs. This created another ticklish problem for us. Under the Rules of Business notified by the president, the affairs of the state fell squarely within the purview of the home ministry. To ask for another minister to look after this, especially when the home minister himself came from the state, became a rather delicate matter. We had to find some *via media* and resorted to some semantics for entrusting this to Fernandes. He took up this job with gusto and visited the state and established direct independent contacts with the militants. The Intelligence Bureau was not too happy as this created too many channels for communication and contact between the government and the militants who were most likely to play one against the other. This would only confuse the picture further without any worthwhile gains. This is exactly what happened and no concrete breakthrough was thus achieved.

The prime minister was thoroughly dissatisfied if not annoyed with Jagmohan and let us know that he was thinking of shifting him. I suggested General Sundarji who with his army background and position, would be able to plan and execute strategies to deal with the militants, especially when very close coordination was necessary between the police, the paramilitary forces and the army. But his name was not accepted and the prime minister told me that they had decided to send Girish Saxena, a former director of RAW. But it was such a top secret appointment that even his brother, Naresh Chandra, the home secretary, was kept in the dark.

The removal of Jagmohan was forced on us when Maulvi Farookh was assassinated by militants. We were shocked that he had not been given the police protection he had been asking for. When the prime minister asked my specific suggestion about doing anything for Jagmohan at all, I said that it would be unfair not to look after him whatever his faults, and he could be nominated to the Rajya Sabha. The prime minister agreed with this. Jagmohan was called to Delhi to see the home minister and met me before that. I suggested that he put in his resignation and also accept the offer the prime minister would make to him. He accordingly resigned on 25 May and Girish Saxena's appointment was subsequently notified by the president.

Jagmohan was seen not only as a hard taskmaster but as a nonsense man as well. The police and paramilitary forces in the state thought that they were expected to be very firm with militants and their actions and the resultant violence and deaths were heaped upon Jagmohan. After the assembly was dissolved, Jagmohan was fully in charge of the situation. He also refused to hold any discussion or dialogue with the militants unless they surrendered and gave up violence. With the increased activities of the ISI, Afghan *mujahideen* and Kashmiri militants this only created a severe backlash. The ISI let loose the Afghan and other foreigners trained for the Afghan war in the Valley. The large number of Kashmiri youths who had crossed into Azad Kashmir also came back fully armed and provided for. There was incessant propaganda from Pakistan based on religious fundamentalism. The local population responded, or was made to respond, because of governmental ineptitude and widespread corruption. Therefore it is unfair to Jagmohan to hold him solely responsible for the steep escalation in violence. The situation had already started worsening from mid-1989 and had become almost explosive by the time he became governor. The release of militants in exchange for Mufti Saheb's daughter only added to this. Fortunately, 26 January, Republic Day, did not turn out to be a flashpoint as anticipated by many. It is ironic that Farooq had repeatedly referred, almost prophetically, to heightened violence and anarchy in the state.

As a result of increased violence in the Valley there was a large exodus of Kashmiri Pandits to Jammu and to Delhi for which Jagmohan was again held responsible. From the very beginning the Congress was against him because it thought that he had deserted the party and gone over to the enemy camp of V.P. Singh. But it must be said that he also contributed to a large degree to the misgivings about him. His appointment as governor led to Farooq's resignation and this created a void when his presence could have been of great help in fighting the militants. Farooq was the visible symbol of a democratically elected government and also a staunch supporter of the state's accession to India. Jagmohan compounded this mistake by dissolving the elected assembly, the symbol of people's participation in a democratic process, however imperfect. Seen in retrospect, sending Jagmohan as governor was a mistake and V.P. Singh's government paid heavily for it.

The spring and summer of 1990 also saw the tension on the Indo-Pakistan border along the state rising to a crescendo. Though this was

somewhat reduced by mid-1990, the conditions in the state did not see a proportionate improvement. I visited it in July soon after Saxena's appointment. The change in the year since my last visit was almost traumatic. During my two-day visit I was accompanied at all times by a full-scale escort. Shops were open but shopkeepers were obviously wary and on their guard; one shopkeeper became really nervous when he saw my escort. The Dal Lake area was almost deserted. We were dissuaded by the security from visiting the Nishat Gardens and also the area where the late Maulvi had resided. The security at the airport was quite oppressive. In short, Srinagar looked like a deserted town where people moved about only when they had to and that too with fear writ large on their faces. Even then, at certain places construction of houses was going on rather briskly and I was told that builders and owners had given the necessary protection money to the militants.

I briefed the prime minister on my return but the home minister was not pleased that I had gone to Srinagar on my own. As the year 1990 progressed, the state received less and less attention in Delhi; obviously, nothing much was happening there to attract our attention. I left the government in 1990 and was no longer associated with it.

In July 1993 Rajesh Pilot, minister of state for home affairs, asked me to be a member of an informal forum for consultation on some of the more important problems of the security situation in the country in general and in Jammu and Kashmir in particular. I was delighted as the group included some highly distinguished people like Sardar Swaran Singh, Dr Karan Singh, T.N. Kaul and others. We had meetings in Delhi and also visited Srinagar. General Krishna Rao, the governor, adopted a condescending and arrogant attitude. The joke then was that, 'The governor talks to only two people – God and the PM.' I visited the Valley alone in June 1994 which created much interest among the press as it was said that I had gone at the invitation of Prime Minister P.V. Narasimha Rao to report to him about the situation there and to consider whether elections should be held.

I have quoted below from my letters to the prime minister dated 23 September 1993 and 17 June 1994, which give some idea of the more important matters that came before us. In addition, I informed the prime minister that the older people in the Valley nostalgically remembered the rule of the maharaja when they could get their grievances redressed and perhaps his son Dr Karan Singh should be closely associated with the state administration if not made governor.

Extract of letter to Prime Minister P.V. Narasimha Rao (after visiting Srinagar with the Think Tank on 10, 11 September 1993):

*My very strong feeling is that the Governor, Retired General Krishna Rao, may not be able to deliver the goods. He is an eminent personality in his own right but Jammu and Kashmir needs a different type of person to be the governor at this juncture. This person should be a particularly sensitive strategist and not only a competent and effective administrator. I would like to recall what happened some few years back in Punjab when it was under President's rule. Siddharth Shankar Ray was the Governor who was very sensitive to the evolving political situation. He was replaced in early 1990 by Nirmal Mukherjee, an eminent ex-civil servant and administrator who could not find his feet as he was not sensitive or responsive to the political situation and scene. I am afraid something of this sort is happening in Jammu and Kashmir. No doubt the governor has to put down terrorism with a firm hand but this process cannot be separated from what should be done to remove the sense of fear from the minds of the public which again is connected with the ever-evolving political scene. As a matter of fact there is a very thin line and interface between the administrative action to put down terrorism and to share and even encourage initiation and beginning of the political process. Unless, therefore, the governor at this juncture is sympathetic and responsive to the political process, his usefulness would be seriously compromised and constrained. When the governor briefed us in a rather lengthy way, at least I got an impression that he was complacent if not smug. He went on repeating that if only he was given the additional army help which he had asked for, he could hold elections within a couple of months. I did not get any feeling of the situation being so after hearing his officers, army commanders as also non-officials and politicians. I also got a feeling that he is putting all his eggs in one basket, that of Farooq Abdullah. Farooq is a good friend of mine and his credentials as a nationalist are impeccable. But to take a stand that only he can salvage Jammu and Kashmir would not only be foolhardy but would also discourage other political currents from coming up. Such an attitude would not only discourage emerging political trends, but may even encourage*

*political activities opposing Farooq Abdullah and indirectly other nationalist elements. An impression should not, therefore, be given, which I am afraid the governor is giving, that we are banking only on Farooq Abdullah. This of course only means that Farooq's role should not be overplayed.*

*After hearing various persons, I have formed a strong feeling that we should very carefully examine the effects of the new emerging force called 'Hurriyat'. It is no use belittling this new trend or trying to destroy it because at least for the time being it seems to be more near the terrorists than near any existing nationalist political party. It, however, has a potential, if we channelize it to express and represent a force which is disillusioned with militants and violence. It can be nurtured and brought to the negotiating table. It is something like the old Muslim United Front which, I do not mind saying, we branded as anti-nationalist only because it was supporting neither the Congress nor the National Conference. It is no use ignoring the fact that most of the politicians, including Congress ones, in Jammu and Kashmir are thoroughly corrupt and, therefore, despised if not hated there. If, therefore, disenchanted and disillusioned elements want to have a new party, it could be a welcome trend. Of course, all these new trends and elements will have to be watched carefully, but at the same time, we should make a conscious effort to nurture and channelize them.*

*I also got a feeling that public relations are sadly neglected. There seems to be no news management. We blame the BBC for giving very slanted news abroad, but even the Indian news media do not get enough information. I do not mind telling you that when I told my friends and colleagues in Bombay that I would be visiting Srinagar, they were aghast as almost all of them here think that Jammu and Kashmir is a gone case and there is absolutely no security of life and property there. Things, however, looked quite different when one has been to Jammu and Kashmir. When I mentioned this, the governor quietly said that it is the duty of the central government to tell the outside world, including other parts of India, what the real situation is and that he would not like to be saddled with this also. He said that he had a press adviser stationed in Delhi but I do not know what this gentleman is doing even though I know him well – he is Ram Mohan Rao,*

*one of the retired chiefs of the Press Information Bureau. I made a suggestion to the governor that he may think of employing a well-qualified and competent press relations agency but he again seemed to be not receptive to this idea.*

*Many bureaucrats, and some of them top ones too, are known for corruption and people are wondering why no action has been taken against them. Even senior colleagues were openly saying that the chief secretary's integrity is seriously doubted.*

*I would like to conclude by saying that the Jammu and Kashmir situation continues to be very serious. The people there have a feeling that Jammu and Kashmir does not enjoy any high priority in government's thinking and even in the nation's perceptions. The trends, however, are distinctly favourable. The militants are definitely under great pressure. We must, however, send a very clear message that under no circumstances would India give up Kashmir, but at the same time at least through an informal channel we should send a message that we are prepared to open a dialogue without any preconditions. A good break can be to involve the detained leaders Yasin Malik and Shabir Shah. Simultaneously, no impression should be created that we are banking only on certain political parties. News management will have to be given due importance and attention and special care will have to be taken about the disinformation campaign by the militants.*

*Jammu and Kashmir is not the home ministry's problem alone. That ministry may be looking after it but this is for historical reasons as Jammu and Kashmir falls within the purview of that ministry for Rules of Business. But rightly the problem will have to be handled not only by the home ministry but also in the defence ministry, in the external affairs ministry, in the finance ministry and as a matter of fact in many more ministries. Looking at the importance of the problem and its urgent nature, it may be desirable to create such a division which will coordinate all matters pertaining to Jammu and Kashmir in Government of India. Such a division should be positioned in the Prime Minister's Office so that a clear message would go to the Jammu and Kashmir people that they are being looked after at the highest level in the Government of India and very effective and coordinative steps are being taken to tackle their difficulties. Alternatively, a secretaries committee over which I used to preside*

*as cabinet secretary, may be revived and asked to meet regularly to handle the situation and the problem.*

*. . . The observations of the Think Tank would be coming to you separately and shortly.*

Letter to Prime Minister P.V. Narasimha Rao (after visiting Srinagar in June 1994):

*As a sequence to your discussion with the members of the Think Tank of the home ministry on Jammu and Kashmir, I visited Srinagar from 10 to 14 June. I had very detailed discussions with the concerned senior officials of the state government, officials of the Intelligence Bureau of the Government of India, district officials of the two districts of Baramullah and Anantnag, and a good number of junior state government officials. I also had very detailed discussions with Dr Farooq Abdullah who happened to be in Srinagar. I visited the Hazratbal mosque complex and some of the localities of Srinagar city.*

*I think elections to the state assembly can be held sometime in October/November this year; or positively in March/April next year. This of course would be subject to the various steps and the timetable, which I would detail below, to be followed and implemented. Some people might say that the law and order position is not satisfactory and the anti-militancy operations not yet complete to hold elections. My approach is that such ideal conditions would never ever occur, especially in the Valley, and that to wait for them and to postpone elections till then would not be in the national interest. We should therefore wait only for a minimum acceptable situation and then call for elections. This is also necessary in another context. We may not succumb to international pressure but at the same time we cannot completely ignore international opinion. It would therefore be in the national interest if we hold elections as early as possible not only to prove our democratic bona fides but also to enable the people of the state to have their own democratic government as early as possible. (I was hopeful that with the Constitution being amended to have a multi member Election Commission, the election process would be a smooth one and government would be able to have its way at least in fixing the dates for the elections. This unfortunately may not happen now. The Chief Election Commissioner will have*



*an effective say in finalizing delimitation of the constituencies; revision of the electoral rolls; making all the arrangements for holding elections including mobilization, appointment and posting of staff; publication of electoral rolls and printing of ballot papers; issuing the notification for the elections including the dates etc. I sincerely hope the government would be able to persuade the Chief Election Commissioner to go along with it in the national interest.)*

*My optimism about holding early elections is based on my perception that the people of the Valley are now getting thoroughly disenchanted and disillusioned with the militant activities. I was very happy that this was the general perception of not only the state government officials but also of the public at large. The people of the Valley have now realized that militancy would no longer pay and this reading is based on the following factors:*

- i. As promised and expected, international backing has not materialized. As a matter of fact the fiasco at Geneva with regard to the Human Rights Convention has fully exposed the claims of the militants.*
- ii. Even Pakistani support is not coming up as promised and on the expected scale.*
- iii. Local support too is not materializing as became evident in the latest Hazratbal affair.*
- iv. The firm determination and the awful power and might of the Government of India are very clearly and forcefully exhibited.*

*All these factors have created a great sense of disillusionment in the public mind in the Valley. The public opinion is slowly and gradually becoming anti-militancy. But at the same time, it must be made clear that this anti-militancy opinion automatically does not mean pro-government opinion unless specific and concrete steps are taken to channelize and mould it further.*

*I will again urge that we may not fix the actual dates for elections but must make up our mind about the general period during which they should be held. We can then work backwards for six to eight months to decide and lay down what steps should be taken. This is necessary as elections cannot be arranged or held overnight, especially under the present circumstances in the Valley.*

*At least internally the state government officials would have to be told about our intention of holding elections during a particular time-frame so that they can start taking action which I would indicate as follows:*

1. *Civilianization of the law and order machinery in the Valley and in the Doda district of Jammu. At present these areas are declared as disturbed areas and the army and the paramilitary forces are also covered under the Armed Forces Special Powers Act. The army and the BSF function independent of each other and also of the civil police. No doubt there is the concept of 'unified command', but this is mostly on paper; and I got a distinct impression from state government officers that this is not functioning very properly on the spot and in the field. If and when elections are held, they will have to be seen to have been held under civilian control, i.e. the district magistrate and the superintendent of police are fully in charge. This is necessary not only to create confidence in the minds of the people but is also essential to create favourable international opinion. We must accept that in the light of the latest developments in the Valley, the elections would attract a large number of international observers and international press. Hence the credibility of the elections will be severely compromised if it is seen that it is not the civil police but the army and BSF who are in command in the areas. No doubt at least the BSF and preferably the CRP will have to be deployed to ensure peaceful elections free from pressure and threat of the militants, but the BSF and the CRP will have to function under the overall command of the local civil administration.*

*This process will have to start sometime and somewhere. I would suggest that some beginning in this regard may be made in those areas which seem to be under better control at present. A beginning here can be made to put the BSF or the CRP under the control of the district magistrate and the superintendent of police. In the light of the experience in these areas, the process would be extended gradually so that by the time the notification to hold elections is issued, all the areas would be under civilian police control. The army will remain*

*deployed only along the border to stop and control infiltration from Pakistan.*

*As preliminary to this new situation, vigorous operations will have to be carried out both by the army and the BSF to flush out the militants especially from the Valley.*

2. *Some attractive economic package will have to be announced which will also immediately generate employment. I was informally told that there was a proposal to raise a couple of paramilitary battalions so that about 7000 persons can be recruited. Something on these lines may be announced. The scheme for generating self-employment is not making much progress in the Valley, as the banking structure has collapsed. Some special steps will have to be taken to revitalize this so that the proposals can be cleared quickly. A couple of major economic projects can also be announced especially in the field of food processing.*
3. *There is always a proposal that government should start a dialogue with the militants. There are, however, conflicting signals in this regard from the government. We should therefore issue a public appeal for militants to come for talks subject to only two conditions, viz., giving up violence and not asking for secession from India. Subject to this, any group of militants can come to talk to the government. It should, however, be made clear that this does not mean exclusion of other political parties already in the field in the state. It would be sending a wrong signal if talks are to be held only with the militants and not with other political parties who have stood by with the government and against the militants. It may also be made quite clear that the government's intention to hold the elections does not depend on these talks succeeding; but the approach should be that such talks if and when they take place, will facilitate participation of all willing parties in the process.*
4. *Certain administrative measures will have to be taken to create a good atmosphere to hold elections. One of the major items would be adequate supply in the public distribution system. I noticed that kerosene was in short supply. Similarly there is a paucity of coarse rice in the fair price shops. It is therefore essential that more than an adequate supply of such*

items is ensured in the public distribution system at least for three or four months before the elections are announced and take place.

5. There are certain local needs particular to certain areas, e.g., flood damage was very severe in Anantnag district because of the floods in September 1992 and July 1993. Special allocation of funds should be announced for such locally sensitive schemes and works.
6. A large number of people from the Valley are detained either in prison or in the custody of the army and paramilitary forces. A very quick scrutiny of such persons should be made and as large a number as possible released. This matter has become a highly sensitive one in the Valley. This is also one of the human problems fully exploited by the militants and by Pakistani propaganda. The hard core and the criminal elements should continue to be detained but other categories, technically described as white and grey, should be released. This would create a large amount of goodwill for the government.
7. All district magistrates should be given a discretionary grant of a suitable amount so that they can sanction on-the-spot relief to individuals or for some public works in the locality. This will create a good impression of the government in the public mind.
8. A comprehensive publicity drive will have to be structured and carried out not only to expose the extent of militancy, their misdeeds, the complicity of Pakistan and its vested interests, as also constructive work being done by the government. The electronic media will have to be fully geared up. The newspapers now in the Valley mostly carry out propaganda of the militants and this will have to be neutralized or marginalized through imaginative steps, and also by exercising control over the newspapers in a very discreet way. International opinion will have to be properly briefed so that they appreciate our efforts to restore an elected government in the state and also to ensure that Pakistan is not allowed to sabotage the process. International pressure should thus be directed towards and against Pakistan.

*I have been giving more emphasis on some of the steps to be taken in the Valley not because one should neglect Jammu and Ladakh*

*but only because the real test of holding elections is concentrated mostly in the Valley. If the elections can be held peacefully in the Valley, only then we should be in a position to tell the world that we have been able to restore democracy in the state in spite of terrorism instigated and actively supported by Pakistan.*

*Not only this but we will have to be extremely careful that there is no distortion in the outcome of elections in the Valley, as unfortunately happened in 1987. In the House of eighty-seven seats the Valley sends about half the number. We should accept that out of this about forty-three seats from the Valley, the number of non-National Conference, non-Congress-elected representatives will have to be an adequate one. If this does not happen, then we will have to accept amongst ourselves that elections were not as free as we wanted. Not only this, but we should also not forget the unfortunate result of the 1987 elections in the Valley which gave a fillip to the militants as they thought that they had no role to play in the election process.*

*We may also have to give serious thought as to the minimum number of days which we should allow between the date of the notification for holding elections and the actual date for polling. To date, it is about thirty-five days and the government would be under tremendous pressure to reduce it to even twelve to fourteen days. This could create an unnecessary controversy and should be avoided. The number can certainly be reduced so that the opportunity for sabotage is reduced to that extent, but at the same time it would also be desirable to take all the political parties into confidence so that they have enough time to move in the constituency to meet the voters.*

*There might be a proposal to declare a sort of a cease-fire during some period before and during elections. We should carefully respond and work out a well-structured arrangement.*

*The monitoring and patrolling of the border will have to be tightened so that the scope for infiltration and sabotage is reduced to the minimum.*

*We may also think of making an announcement that the government would sit down with the newly elected state government and discuss and finalize long-term measures for sorting out the various difficulties and problems facing the state.*

*I have tried to mention only some of the more important aspects which I thought we should identify and take care of before the run for the elections starts. There will also have to be some mechanism in the Prime Minister's Office to monitor these various steps giving them a certain time-frame during which they should be implemented. If a proper check is exercised over this process, it should not be difficult to hold elections as mentioned by me. Our intention should be to hold elections positively by October/November 1994 or latest by March/April 1995. We need not announce the exact dates as it will bind us down to a very narrow option. We should internally indicate the rough period and the actual dates can be announced as late as possible. At the same time it may also be desirable to keep major international players informed about our decision to hold elections later this year or early next year, not only to create a favourable impression but also to use this information to force Pakistan not to start any measures for sabotaging the elections.*

# 32

## Punjab

AS ADDITIONAL SECRETARY IN THE HOME MINISTRY FROM MAY 1978 I had to deal with the police and law and order. Jyotish Pandey, joint secretary, reported to me and was highly apprehensive about Bhindranwale's activities in Punjab and the dangerous game the Congress was playing by openly patronizing the Sikh leader.

I toured Punjab and visited Amritsar and the Golden Temple complex. A senior official of the temple showed us around. He and his colleagues were very concerned about the attitude of Sikh youths towards religion. They said that the prosperity of Punjab had spoilt these young men who were more preoccupied with enjoyment and did not want to visit gurdwaras. I talked to many visitors to the Golden Temple complex and especially those who came from the rural areas and found no sign at all of any militancy. Even though Bhindranwale was moving vigorously and widely in the region, the rural people did not show any interest in his militant approach. On the way to and from Amritsar I stopped and visited many small localities and people working in the fields. They were a happy lot and offered genuine hospitality and the whole region seemed a haven of prosperity and peace. I wanted to meet Bhindranwale but this did not materialize. I visited Ludhiana in 1980, the industrial and trading hub of Punjab, especially for hosiery. There were a number of prosperous Hindu traders and manufacturers and again there was no sign of any anxiety or violence in that area.

I left the home ministry in early 1981 and became labour secretary, and chairman of the governing body of the ILO in mid-1984. On that fateful day, 31 October 1984, I heard about Indira Gandhi's

assassination on a flight to Europe. When I returned after a week, I found Delhi completely changed. People were afraid of moving about freely and would return home before dark. In the marketplace no Sikh shopkeepers were to be seen. In the old city the markets wore a deserted look and it was difficult to imagine that this was an area where people used to move freely. I came back to Bombay in May 1985. The Koliwada area had a strong concentration of the Sikh community and we had to be extremely careful that no violence against them was indulged in by anti-social elements.

In August 1986 I returned to Delhi as cabinet secretary and was more intimately involved with Punjab affairs. Fortunately Julio Ribeiro, an IPS officer from Maharashtra whom I knew well, had become the director-general of police of Punjab in March and I was comfortable with him. He gave me a preliminary briefing, as also Sarla Grewal, secretary to the prime minister. President Zail Singh also referred briefly to Punjab when I called on him. He suggested that I meet Captain Amarinder Singh, maharaja of Patiala, to discuss this but Rajiv Gandhi was not too pleased and I, therefore, did not.

Rajiv Gandhi had set up a group of ministers to deal with Punjab. The group comprised P.V. Narasimha Rao, minister for human resource development; Buta Singh, home minister; Shiv Shankar, minister for external affairs and one or two others and later P. Chidambaram when he became minister of state in the home ministry. But there was no clear line of advice to the prime minister, as often these various lines crossed. Buta Singh naturally was more active and Arjun Singh, when he came back from Punjab where he had been governor, also stepped in. But this group did not meet regularly or frequently and Rajiv Gandhi depended more on Buta Singh, Chidambaram and M.K. Narayanan, director of the Intelligence Bureau. The governor of Punjab, Siddharth Shankar Ray was also in close communication with Rajiv Gandhi but his assessment of the situation often differed from that of Ribeiro. The result naturally was that there was no focused thinking on the Punjab situation in Delhi. Chidambaram with his analytical approach did his best to remedy this but not with much success.

My first contact with Sikh terrorism came soon after my return to Delhi. In the now-famous incident of 2 October 1986 shots were fired at Rajiv Gandhi at Mahatma Gandhi's *samadhi* at Rajghat. Later we found that this was nothing but the result of carelessness and negligence by the Delhi police. Karamjit Singh, who fired the shots, was a miserable



specimen, completely incapable of any systematic planning either by himself or as a stooge of somebody. His only motivation was that he had suffered in the 1984 anti-Sikh riots.

There were many issues of the Rajiv Gandhi–Sant Harcharan Singh Longowal accord signed in July 1985 that were pending implementation:

- i. The transfer of Chandigarh to Punjab as its capital;
- ii. Construction of the Sutlej–Yamuna link canal;
- iii. Taking action against everybody who had abetted or taken part in the anti-Sikh riots of 1984, especially in Delhi;
- iv. Release of men, women and children picked up in Operation Blue Star who came to be known as Jodhpur detainees.

It was expected that Rajiv Gandhi would announce the actual transfer of Chandigarh to Punjab by 26 January 1987. But this did not happen and it was generally felt that the transfer was stayed because of the coming assembly elections in Haryana in mid-1987. The transfer of Chandigarh could take place only if the chief ministers of both Punjab and Haryana came to some understanding but this was most unlikely not only because of the transfer of enclaves and Hindi-speaking territories involved, but also because of Punjab's reluctance to timely completion of the link canal. The transfer of Chandigarh has not taken place even after more than fifteen years and the prospects are not too bright at all. It is the same with the link canal.

The coming assembly elections in Haryana affected Punjab in another way also. The Akali Dal government of Barnala had taken office in Punjab in 1985. He was doing his best to restore law and order, put down militancy, revive the economy and also preserve communal amity between the Sikhs and Hindus. But his was an extremely difficult task. Militancy could not be put down effectively and the government did not seem overly enthusiastic about doing so. In fact militancy was allowed to be glorified and the army personnel who revolted in the aftermath of Operation Blue Star were treated as heroes. There was internal trouble in the Akali Dal as seen by the resignation of Pratap Singh Badal and Captain Amarinder Singh, maharaja of Patiala. Even G.S. Tohra, the leader of the Shiromani Gurdwara Prabandhak Committee (SGPC), was on the warpath. The central government naturally handled the situation with kid gloves because of the Rajiv Gandhi–Longowal

accord. The officers, and especially police officers, thus felt that they should not be too firm in handling militancy. This was unfair to the Punjab police, now under the guidance and leadership of Julio Ribeiro and his senior colleagues, who were doing their best to control the situation. The Hindus, and especially Hindus in Haryana and western Uttar Pradesh, also felt that the central government was trying to appease Sikh militancy.

Besides Haryana, state assembly elections were also due in 1987 in Kerala and West Bengal. Rajiv Gandhi was keen for the Congress to do well in these elections particularly because his leadership was beginning to be challenged. Otherwise, too, the Janata Dal was flexing its muscles in Haryana while the leftists were very active in West Bengal and Kerala. Further, the proximity of Haryana to Delhi created its own complications.

It was suggested to Rajiv Gandhi that Barnala's ministry be dismissed and Punjab brought under president's rule, ostensibly for the reason that this was necessary to control militancy. The Congress, however, hoped to win the elections in Haryana by giving the impression of being firm in tackling militancy in Punjab. Bhajan Lal, the chief minister in Haryana, was being openly challenged by Janata Dal leader Devi Lal. The assessment given to us by the Punjab governor, Siddharth Shankar Ray, was that the Congress would do well in Haryana. President's rule was imposed in Punjab in May 1987. The Janata Dal routed the Congress in the Haryana elections. Devi Lal won sixty seats while the Congress could win only five. The imposition of president's rule in Punjab created constitutional history as it lasted for five years, till February 1992, necessitating constitutional amendments repeatedly.

During one of my briefings to Rajiv Gandhi, I said that if only we could tackle the issue of release of the Jodhpur detainees and take action against those involved and responsible for the 1984 anti-Sikh riots, we would not only gain sympathy for our efforts to put down militancy in Punjab but also blunt the propaganda of Khalistan supporters abroad. Because of the strong human feelings involved, these issues always came up in any discussion or argument and put us in a very adverse position.

The Jodhpur detainees were those men, women and children who were in the Golden Temple when Operation Blue Star started and were rounded up and kept in detention in Jodhpur. No doubt there were some militants in this crowd but there were also women, children and old persons. My argument was that we should finish the process of

interrogation and scrutiny and immediately release those who had nothing to do with militancy especially the old, women and children. Instead of treating this as a human problem the government wanted to use the release of these persons as a bargaining issue for putting down militancy. It adopted a process whereby the cleared detainees were released in small batches to test the reaction of the militants and its effect on the law and order situation. I raised this issue at least half a dozen times with Rajiv Gandhi and Buta Singh but without much result.

The Mishra Commission report on the 1984 anti-Sikh riots did not reveal any involvement of the Congress party or any of its leaders and workers in Delhi. Yet everyone in Delhi knew that some senior Congress leaders had actually participated in the riots as had been brought out in the report of a citizens' committee of which a respected ICS officer, Rajeshwar Dayal, was a member. This created a doubt about the credibility of the Mishra Commission report. Justice Ranganath Mishra, then a sitting judge of the Supreme Court, was very ambitious and rather amenable to political pressure. He was somewhat like Justice Thakker who enquired into the assassination case of Indira Gandhi. I too became sceptical of the Mishra Commission findings and said that though it had not found anything against the Congress party or a Congress leader or a party worker, it was noteworthy that these worthy leaders and party workers were conspicuous by their absence in the early part of the riots – to either protect Sikh victims or to restrain the mobs or to ensure that governmental machinery, especially the police, took firm and even ruthless action to control the anti-social rioting elements. This is in stark contrast to these worthies organizing and leading *morchas* for sundry grievances and demands. I could well believe what was said about Justice Mishra when I came to know him better. He started calling me on the RAX connection at my residence regularly once a fortnight asking me to keep the prime minister well informed of the excellent work he was carrying out in the field of rendering legal help to the weaker sections. He continued this practice till fate intervened and the chief justice suddenly passed away in London. Since the chief justice was younger than Justice Mishra he had not thought it possible that he could ever become the chief justice. But now, as the seniormost judge, he automatically took over. I congratulated him when we met next and he just looked through me. And this was the man who used to call me regularly at my residence! He is the first retired Supreme Court chief justice to enter politics on a party ticket.

Twice I raised the issue of taking action on the issue of the anti-Sikh riots with Rajiv Gandhi, once when Buta Singh was also present, but he gave no response. Buta Singh gently suggested that this was a highly sensitive matter for Rajiv Gandhi and he was personally under great psychological and mental stress which he did not show because he had great self-control. He had once given vent to these feelings when he said that, 'the earth naturally trembles when a great tree falls'. He did not repeat such sentiments again but they must have been bothering him.

I also raised this issue in larger meetings when Rajiv Gandhi was not present. My argument was that in spite of the Justice Mishra Commission report we could not entirely brush aside the findings and reports of other non-official bodies especially when some of the members of these bodies were well respected, unbiased and apolitical persons like Rajeshwar Dayal. It would also be unfair to the riot victims not to believe them when they mentioned abettors and perpetrators by name. The failure of the agencies that were supposed to protect the innocent citizens was much more galling. People openly said that the government was not taking action in this regard since the prime minister was personally involved and wanted to protect the leaders and workers of his own party who had been named by the victims. In addition, some of his advisers even told him that 'all this was an opposition conspiracy to target not the leaders or the party workers but Rajiv Gandhi himself. I felt very sorry for him, a basically decent person pushed into not taking any action by his own party and advisers. This gave the opposition a useful and convenient issue to hammer in; it permitted the militants and the Khalistani supporters to continuously whip up feelings against the government; it alienated the whole Sikh community from the Congress party; and also made the government and Rajiv Gandhi personally vulnerable to charges of putting party interests far above protection of the minority communities.

The Intelligence Bureau gave regular reports about militancy in Punjab. Once a couple of dreaded militants being escorted by the police escaped, and while chasing them the police had to shoot them down. I was upset with this report and asked the IB how the police party could have been so careless. And here for the first time I became aware of the phenomenon of 'encounters'. Activists and human rights workers have repeatedly charged the police of staging false encounters in which they have either shot innocent people or justified the shooting as self-defence or as in the course of fighting or chasing militants and terrorists.

But these allegations should be examined in a proper perspective and not with hindsight or after the situation has been brought under control. Activists too will accept that fighting militants and terrorists in Punjab had become more complicated as their activities had become globalized – politically, economically and criminally. These were not only local people but also outsiders who had easy access to external help and easily crossed over into neighbouring countries for safe havens. They had become part and parcel of international organizations and even extraterritorial political patronage as of Pakistan. They were liberally helped by outside agencies not only with funds but also with advanced weaponry and communication equipment. We had been raising our voice against international terrorism but had not succeeded much mostly because of international politics and our neighbour's overt and covert active help and participation. Pakistan was actively engaged in training Punjab terrorists and equipping them with funds and weaponry and Pakistani Rangers were giving full cover to them to sneak into India. Unfortunately, Indian smugglers also joined in the smuggling of arms from Pakistan. The *hawala* racket was extensively used to transfer funds into India. Ethnic Punjabi citizens mostly in Canada and the US liberally financed these terrorists and were also active in garnering support in those countries for the Khalistani movement.

In the 1980s militants created such terror in Punjab that there was an almost complete collapse of law and order. People were afraid to step out after dark and even the police moved only in strength and usually with well-protected vehicles. Unintentionally the judicial system also encouraged militants. No witness would come forward to lodge a complaint or depose against terrorists. There were no lawyers willing to take up prosecution cases or judges to hear them. And if some judge could be found, he would liberally grant bail or long adjournments. The situation could only be brought under control by ruthless means. The police were accused of alleged fake encounters but it can be confidently said that the affected population was happy that these terrorists were being eliminated. One should not justify the killing of the innocent in police firing if it was deliberate, but it had to be overlooked if it was by accident. Also, if a terrorist was allowed to escape it only meant that more innocent people would be killed by him.

It cannot be denied that police brutalities if unchecked for a long time can degenerate into tyranny. In Punjab there were allegations of police extortion, police indulging in personal vendettas or settling

personal scores or just trigger-happy. Fortunately, because of the tight control, guidance and enlightened leadership of the senior officers, these allegations were of short duration. In fact, when the situation improved people were happy that the Punjab police had been successful in putting down militancy and terrorism. And in this are naturally included the paramilitary forces such as the Border Security Force (BSF) and the Central Reserve Police Force (CRPF).

These fine paramilitary forces – BSF and CRPF – had a trying if not traumatic time fighting and controlling terrorism in Punjab. The CRPF is a central paramilitary force requisitioned by state governments to control law and order situations that cannot be looked after by their own police forces. The CRPF battalion is requisitioned by and works under the jurisdiction of the state police. It is not supposed to be deployed more or less permanently but has to return periodically to its base group centre for rest and training. But in Punjab CRPF battalions were deployed permanently and had to continuously face the wrath of militants and terrorists and for almost twenty-four hours of the day. Added to this were other factors such as the modern weaponry used by terrorists who had no dearth of funds, and could easily cross into Pakistan. It is therefore necessary to understand the extent of tension, stress and strain under which the CRPF was functioning in Punjab and, without justifying it, consider with sympathy if some of its jawāns broke down under this continuous exposure and behaved irrationally.

The same can be said about the BSF. Created to guard the borders of India, it was sucked into internal security duties in Punjab and had to face the same challenges and situations as the CRPF. To make matters worse, there was a fair percentage of Sikh officers and jawans in both these paramilitary forces, but to their credit they carried out their duties with discipline, loyalty and courage. The BSF had a far more trying time guarding the border posts as these were very often subjected to firing by Pakistani Rangers and well-armed smugglers. Another fine paramilitary force, the Indo Tibetan Border Police (ITBP), too did not remain unaffected. To release some CRPF and BSF battalions for mobile duties the ITBP was deployed to guard static targets like banks – a change from high snow-clad mountain peaks to the hot Punjab plains!

Another aspect of the terrorist movement in Punjab was to create a communal divide between Hindus and Sikhs. They therefore specifically targeted Hindus while shooting and in many cases the

militants segregated the Hindus from the Sikh population and shot them down mercilessly. The intention here was to create panic among the Hindu population and drive them out from the rural into the urban areas and from the urban areas to outside the state. A few Hindu families did leave and come to Delhi and other states. On the whole, however, communal amity was fully preserved and it was gratifying that Sikh families especially in the rural and semi-urban areas came forward to protect Hindu families. The Hindu population also refused to be cowed down by the terrorists and did not want to leave a state that was literally their homeland.

The militants also failed in their effort to alienate the Sikh population from the government as hoped by Pakistan because it had not forgotten how the sikhs had actively helped and been involved with the government to defeat Pakistani designs in the 1965 and 1971 wars. We were therefore extremely gratified with the high morale of the Sikh population and its enthusiastic response to the government when tension grew between India and Pākīstān in early 1987 and again in early 1990.

We were doing our best to persuade foreign governments, especially the UK, US and Canada, to come down heavily on Sikh terrorists in those countries as also other ethnic Punjabi elements residing there as they were providing massive funds to terrorists and the Khalistan movement. They also wielded considerable local political influence especially in western Canada and west USA because of the large ethnic Sikh population there. The UK government came around to our view as it apprehended internal tension and trouble. But we could not do much in the US as it could not appreciate our anxieties about international terrorism. Some senators and representatives with substantial Sikh voters also lobbied for Sikh militants. We had better success with the Canadian government as it also apprehended local internal trouble because of the Sikh community's support of the militants. Further, the Canadian government had not forgotten the Air-India aircraft blown up by Sikh militants in 1984. On a visit to India, the delegation of Canadian MPs wanted to go to Amritsar and the Golden Temple. Our first reaction was to refuse because we were obviously concerned that the Sikh militants there would stage demonstrations to show them that their movement had strong local support. I was asked by Rajiv Gandhi to examine this, and after consulting Ribeiro, I advised him that we could take the risk and allow the delegation to visit Amritsar and this was later fully justified. The Canadian MPs moved freely in Amritsar city and

visited the Golden Temple and did not see any sign of militancy. They must have given a highly favourable report.

From early 1988 we were worried about the situation in the Golden Temple. Despite security cordon around the temple Sikh militants were sneaking in with arms, ammunition and provisions. An operation had therefore to be planned to evict the militants. The state government was not displaying any strong response or reaction to the activities, even when it could clearly be seen that fortifications were being constructed inside the complex. A crisis point was reached when the DIG of the CRPF was fired upon by militants from inside the temple. It became apparent by May 1988 that the militants were itching for a fight with the government and would not give up unless they were flushed out. Governor Ray was also pressing for this but we had to be extra careful in the light of our experience of Operation Blue Star. The new strategy was finalized by Home Minister Buta Singh, but the real planning was done by Chidambaram, minister of state for home, and M.K. Narayanan, director, Intelligence Bureau. Rajiv Gandhi also took a personal interest. The general strategy evolved was not to mount a direct assault but to use the National Security Guard (NSG) with its crack marksmen to neutralize the militants' firing power. The NSG was also asked to severely restrict the movements of the militants inside the temple compound so that they would not be allowed to come out of their hiding places. As this was going to be a slow process there was a genuine apprehension that an ugly situation may develop across the city. It was however decided at a meeting by Rajiv Gandhi that the NSG should be given time to carry out this plan. The state authorities and K.P.S. Gill who had taken over as director-general of police in March 1988 were getting rather impatient as they thought the NSG was taking too long and the operation should be handed over to them. It was agreed to give one more week to the NSG, and fortunately the militants surrendered within this period. Many of the militants who had holed up in the basement had desecrated the hall below the temple and we had to clear and clean the place. The operation did create some tension between the Punjab police and the NSG as the former wanted to carry this out while the latter was not prepared to take orders from the Punjab police but wanted them to come from the core group in Delhi.

Julio Ribeiro had been appointed adviser to the governor in March 1988 and his term was to end in early 1989. We had decided to send him as governor either to Jammu and Kashmir or to one of the north-



eastern states. At the last moment this did not materialize and we decided to send him as our ambassador to Rumania, a country safe from Sikh militants, and under a dictator. His wife was not very keen and wanted to return to Bombay and live a normal life. However, their life in Bombay was not likely to be a normal one as he would continue to be exposed to Sikh terrorists' attention and have to be under direct security cover. He was therefore persuaded by me to go as our ambassador to Rumania.

Simaranjit Singh Maan, a senior IPS officer from Punjab, became very critical of the central government's handling of Sikh affairs and was therefore detained under the security provisions and kept in a Bihar jail. In 1989 his father and his wife (the daughter of an ICS officer and sister-in-law of the Maharaja of Patiala) came to see me looking very sad and tense because they were facing great difficulty in meeting Simaranjit Singh in jail, and if at all they were given permission it was for hardly a few minutes. I said that I would ask the chief secretary of Bihar to permit them to see him whenever they wished and also to show them all courtesy. They seemed satisfied and grateful but this had a curious fallout. Much after V.P. Singh took over the government in November 1989, Maan in a newspaper interview said he had been very badly treated in jail in Bihar at my instigation. I wanted to write to the newspaper that this was factually incorrect and mischievous but V.P. Singh told me to forget the whole episode and allow it to die a natural death.

In early 1989 we examined the question of holding elections to the state assembly in Punjab. M.K. Narayanan, director IB, had produced a proposal and a master plan whereby elections were to be staggered not only over time but areas as well. In the first phase elections were to be held in areas where the law and order situation was fairly under control and which could be guarded from inroads from the militants. The remaining areas were to be covered in two or more subphases, to give full protection to smaller areas like Mand and seal the known hiding places of militants. As a trial run it was suggested that elections be held to panchayat bodies, cooperative societies and municipal bodies to give the state machinery and especially the police sufficient experience of holding elections during disturbed times, and to give the people confidence to come out and vote. We did our best to sell this proposal to the politicians but did not succeed and the assembly elections were kept on the backburner.

S.S. Ray, the governor during Rajiv Gandhi's tenure, had taken over from Arjun Singh at a critical juncture. He had dealt with the Naxalite trouble in West Bengal, and had experience in dealing with politicians and political issues as well. He also had an established reputation of being fair to non-Congress politicians and could win their confidence but somehow militancy could not be controlled effectively during his tenure. When the V.P. Singh government took over in November 1989 it was quite obvious there would be a change. Singh and his colleagues and especially I.K. Gujral were convinced that Rajiv Gandhi's policy of dealing with militants was not a proper and correct one to win over people. Singh's visit to Amritsar on 7 December 1989 was a tremendous success and people came in large numbers to greet him. This was followed by an all-party meeting in January 1990 in Ludhiana which was boycotted by the Congress. A special cabinet committee was also formed to deal with the Punjab situation. Direct lines were opened for talks with the militants and S.S. Maan given free access to the prime minister and his political aides. The Punjab police was nervous as they were not sure how to deal with the militants and also whether any action would be taken against them for dealing strictly with the militants in the past. The new governor, N.K. Mukherjee, was an old Punjab civilian and had also been home secretary and cabinet secretary in the central government. It was common knowledge that I.K. Gujral had been instrumental in his appointment. Mukherjee was not in favour of using unnecessarily harsh force against the militants and was keen to ensure there was no violation of human rights. This only further increased the nervousness and uneasiness amongst the Punjab police. Unlike his predecessor Mukherjee was not able or even keen to establish a close rapport with state politicians.

S.S. Maan had united most of the Akali factions but then he became more ambitious and wanted to sideline Badal and Tohra. He started making highly communal and militant announcements. But gradually he lost his popularity and effectiveness as the militant groups outdid him in making even more extreme statements.

Though the V.P. Singh government's intentions were good, the impression it gave to the Punjab militants was disastrous, as the latter thought that it was reluctant to use force to put militancy down; there was therefore an upsurge of violence. V.P. Singh said in April 1990 that he would give personal attention to sort out the Punjab situation, but events overtook him and he could not do so.

The relationship between the prime minister and Governor Mukherjee started to become uncomfortable and uneasy. I visited Punjab in April 1990 and the governor frankly said he did not want unnecessary interference from the central government. Mukherjee had appointed a new home secretary without consulting or even informing the central government and V.P. Singh did not like this. Mukherjee was frustrated and irritated and not too happy to continue.

General Rodrigues, the Area Commander-in-Chief, took me in a helicopter along the border with Pakistan to see the ditch-cum-bund areas. He reiterated his favourite idea of creating a no man's land corridor along the border to solve the problem of smuggling and unauthorized crossings, especially of militants, often supported by Pakistani Rangers. It would also solve the problem of hot pursuit. The work on border fencing was going on but as fields were being tilled right up to that point and habitations were also quite near, sealing the border fully was neither possible nor would be effective. A no man's land corridor was thus the only solution. This would have been possible immediately after Partition as large tracts and habitations were lying deserted but this was more difficult now as the population would have to be shifted and rehabilitated.

K.P.S. Gill took me to some of the BSF border posts and the Taran Taran area, one of the major points from which a large number of militants came. I mixed freely with the rural people and most of them, especially the elderly, said they were thoroughly fed up with militant activities and wished for peace to return so they could carry on their daily activities. They admitted that the young boys were lured by monetary offers and were also fascinated with handling the weapons not realizing what this would ultimately lead to. All of them without exception said that they were very happy with the police actions and that this should continue till the situation was brought under complete control. They were terrorized by the militants and the recently introduced night patrolling was of great help.

After my Punjab visit I briefed the prime minister and the cabinet committee. By now V.P. Singh had made up his mind to have another governor for Punjab. I suggested T.N. Seshan, but the prime minister did not respond. P.K. Kaul, my predecessor as cabinet secretary, was selected but he backed out at the last moment. I then suggested Admiral Tahliani, governor of Sikkim, who was quite familiar with Punjab. But finally, to our surprise, Virendra Varma became the new governor in

June 1990. Varma did not possess the stern character necessary to deal with the prevailing situation; he started interfering with police operations and wanted many police officers shifted and Gill removed. The chief secretary and some senior police officers like Bhinder were advising him and this further demoralized the police and encouraged the militants. V.P. Singh himself became rather unhappy with Varma's style of functioning. Gill met me in Delhi and gave a graphic description of the situation. His main worry was maintaining police morale which was very low as many police officers did not know what would happen to them if elections were held and politicians became their real masters. I said that I would try to do the following:

- i. Shift the IPS officers out of Punjab and bring them on central deputation or to public sector assignments.
- ii. Raise a couple of BSF and CRPF battalions to absorb officers and men of the Punjab police who would like to come out of the state service because they feared harassment and trouble from politicians.
- iii. Set up a couple of housing complexes and colonies outside Punjab and nearer Delhi for those police officers and men who wanted their families to be shifted outside Punjab.

Gill was quite satisfied with my suggestions and said that he would discuss them with his colleagues back in Punjab. I also sent a note to the home secretary about my discussion.

The question of holding state elections in Punjab cropped up again in February/March 1990. I strongly recommended to the prime minister to consider the master plan prepared by Narayanan in 1989. Since violence or militant activity was not likely to cease in the near future, we should decide on an acceptable level of violence and hold elections. An elected government would be in a far better position to tackle militancy. Of course, there was a risk that this elected government may be more pro-militant especially if it was a non-Congress one. But this risk was worth taking as such a government would not like to be controlled by the militants. But there was very strong opposition to holding elections from both the major supporters of government, the CPI (M) and the BJP, and the Constitution had to be amended again in May to continue president's rule in Punjab.

I had always argued that putting down militancy through force was absolutely necessary to tackle the unrest in Punjab, but that we should

examine why such unrest should have raised its head in this critically important border state and if there was any fertile ground for such violent movement to take root and flourish. In the case of Punjab the feeling of being neglected, if not discriminated against, was incipient even when the state was becoming prosperous. The Akali party, the major opposition to the Congress, had as its main plan virulent propaganda against the Central Government and even created the bogey of Hindu domination through the Congress. Punjab is famous for communal amity between the Sikhs and Hindus and in fact, it is a tradition among many Hindu families to induct one child into Sikhism. Inter-marriages are common. Many Hindus recite the Granth Sahib and regularly go to the gurdwara and take *prasad* at *langars*. But purely for political purposes the Akalis played the anti-Hindu card. From 1990, however, this picture started changing as the Akalis were brought into the mainstream of Indian politics. They had also been partners in the central government in 1977 but that period was too short and unfortunately Operation Blue Star of 1984 intervened. The V.P. Singh government did initiate measures to regain Sikh confidence. Badal was an important cabinet minister, Barnala was sent as governor of Tamil Nadu, Arjun Singh, retired Air Chief Marshal, was appointed Lt Governor of Delhi, steps were taken to initiate action against those involved in the 1984 anti-Sikh riots. The major cause, namely, the anti-Hindu card, therefore, started losing its influence in Punjab politics.

There were also economic and social causes for the unrest. Because of general prosperity the number of educated young men in Punjab had gone up considerably. But employment opportunities did not keep pace with this, especially in the rural areas which became a fertile ground for recruitment by militants. Reduced recruitment into the army also contributed to this. Though to some extent counterbalanced by recruitment into the paramilitary forces, this was clearly not enough. Curiously well-to-do Punjabi families also contributed to the militants. There were a large number of landowning Jats and army officers amongst the top cadres of militants and as outside sympathizers. The influence of gurdwaras in the rural areas was very strong and in many places they became centres for the spread of militancy.

Sikhs have migrated in huge numbers for decades and have large colonies in the UK, West Canada and western USA. The Sikhs in Canada and the US were quite prosperous and like other migrating communities, wanted to have roots in their home back in India. The

idea of Khalistan therefore found a ready reception among the ethnic Punjabi Sikhs settled abroad and giving funds liberally was no problem for them. Our embassies and consulates also failed to notice this emerging movement and therefore did not take adequate steps to counter the propaganda by the militants.

The conditions have, however, changed slowly but steadily and militancy in Punjab is now definitely under control. But we will have to be very careful to ensure that this remains so in the future. And bringing in Akali politics into the mainstream of national politics is the best way to ensure that militancy does not raise its head in Punjab.

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## What Has Gone Wrong with the Indian Middle Class?

*I*T IS ALWAYS THE MIDDLE CLASS IN ANY SOCIETY THAT IS THE DRIVING force in that society for any movement. The rich normally do not want any change as they are mostly for the status quo and with the arrogance of their riches presume that nothing can affect them even if there is any change. The poor have neither the time nor the strength to indulge in any movement as they are too busy earning their frugal living. It is therefore the historical mission of the middle class which has the competence and intellectual capacity.

It is necessary to know the history and evolution of the middle class in India as otherwise it may be defined on the basis of Western beliefs, ideas and parameters. The middle class in India is a modern concept. But since in a society there are no watertight compartments, the middle class, therefore, is not just a social concept but an economic and political one as well. It is usually the economic group in a society that defines a classical middle class. It is engaged in services such as in government, finance, trade, religion and academia. It has certain distinguishing characteristics. First, it has a vision and an objective before it. This may be its ideological basis. Second, its values are based on sound ethical standards. And third, it is sensitive to society's needs and societal forces especially those affecting the weaker sections.

Till British rule in India, there was no distinct middle class as such. Maybe this is a historical phenomenon as occupations in India were mostly based on class or caste but did not spread across the board through the various classes and castes. Maybe there were such groups

within the class itself, e.g., within the Kshatriyas and Vaishyas, but there was definitely no middle class as such that spread across society as a whole. Even the Mughals who ruled India for centuries could not create such a middle class. Aristotle said that, 'The best political community is formed by the citizens of the middle class,' but I have not been able to find any such reference in Indian history before the British appeared on the scene.

Though the British for purely political reasons tried to keep the religious, class and casteist structures intact, occupational needs slowly broke down these societal barriers. There were Brahmin army battalions, and services and provisions for the army were obtained from any class or caste that gave convenient and economical services. But the real beginning of a middle class can be attributed to T.B. Macaulay's famous policy of the teaching and spread of English. Appointed a member of the Supreme Council of India in February 1834, he wanted a class across society which knew English and therefore could be depended on to run the administration of government, conduct professional services like law and medicine; run schools and colleges, and whose very existence depended on government patronage. Macaulay's policy did create a classical middle class in India but it is a historical irony that it was this same middle class, created with the objective of setting up a dependable ally for the British, which in fact revolutionized the social, political, and economic life of the country.

What has happened to this revolutionary Indian middle class after over five and half decades of independence? One should first examine how this Indian middle class functioned before independence in the three fields mentioned.

It was very active in the social services field. To give examples only from Maharashtra, the founding of the Deccan Education Society led to the establishment of schools and colleges for the spread of education. This also enabled the government to start the system of grant-in-aid. Agarkar and Dhondo Keshav Karve started the movement against child marriage and for remarriage of child widows. Karve also started schools and colleges for educating girls and established a campus at Hingne near Poona. Mahatma Phule started a movement for improving the lot of the backward classes. Bhaurao Patil was a pioneer in the educational field in rural areas. There were any number of social service organizations doing excellent work in different fields such as the Seva Sadan which was active in improving the situation of women. In the economic field,



Mahadev Govind Ranade and Phirozeshah Mehta actively and forcefully articulated public interests. Similar activities took place in most of the states in India.

The visionary approach of the Indian middle class was reflected in the creation of a political movement for establishing a democratic India based on the British parliamentary model. The formation of the Indian National Congress was the culmination of this approach. The leaders of this movement were mostly lawyers and academics. In all these activities in various fields, the middle class was particular about having a sound ethical and moral base. To them the means were as important as the end. Honesty, integrity, free services, donation of a percentage of income and acceptance of emoluments at the lowest possible level, in the academic and teaching fields in particular, were among the hallmarks.

Spread over a long period, it was Mahatma Gandhi's mass movement that really gave it an impetus and created the modern Indian middle class. He wanted and brought together on a common platform all sections of society, maybe to wage political struggle, but its indirect effect was to create a massive and powerful middle class. And it is this middle class that was in the vanguard in 1947 and which continued to take an active part in the political, social and economic fields in the Nehru era. There were many stalwarts but there was also a whole generation of leaders mostly of the middle class.

One must admit that this Indian middle class gradually gave up the historical role every middle class is supposed to play and which it especially and so prominently played till the mid-1960s.

Why did this happen?

The vision of the middle class, that power should be used for the sake of the people and the country, was damaged severely. Power came to be grabbed for the sake of power and not for the good of the people. Anything could be condoned to get power and to retain it. There was complete disappearance of morality. Corruption became rampant and was even given social recognition. Criminalization of politics was practised by almost all parties. Money power came to play a major role. Social sensitivity got blunted. Concern for the poor and disadvantaged sections of the society was used only to create vote banks.

It is a moot point whether this new scenario was the creation of the middle class itself or arose by default because this class did not take an interest in these matters. It is difficult to accept the first proposition as basically the middle class is opposed to violence and corruption.

Because of its disinterest in and alienation from social, political and economic movements, the middle class was marginalized in the universal suffrage scenario. This was most apparent in metropolitan areas, cities and large towns where it formed a small minority and was therefore washed out and became irrelevant.

The middle class therefore started accepting negative values and gave up its original characteristics. It slowly isolated itself from social movements. It started distancing itself from political movements, calling politics a game of rogues and rascals where money and muscle power reigned supreme. Its sympathy for the weaker sections of society was swamped by the creation of vote banks and reservation policies. In the economic field, it berated corporates as capitalists steeped with rampant corruption.

The middle class received encouragement if not confirmation for its new role in the era of consumerism, globalization and liberalization. The Indian middle class consisting of millions indulged in a self-created euphoria that it was equal to a large country in the world so far as demand for goods and services was concerned. This gave it the feeling of the power that it could flout and confidently say that it could afford to neglect its classical characteristics of ideology, morality and social sensitivity. In this era of information technology, higher education and technical and technological knowledge are prerequisites. The middle class therefore has a big advantage in exploiting this, within its vision centred on the good life. Morality has degenerated because it is assumed that anything goes. The middle class rationalizes its social outlook by the view that there are different Indias. Luxurious apartment complexes and extravagant parties clearly bring this out. Leaving the country and going abroad, to settle down there, is the goal of many.

It is true that some among the middle class have retained their *connectivity with the earlier outlook* but they comprise an extremely small minority. The next generations even from this minority have become disinterested and removed themselves from their parents' activities. This has also happened to new inflows into the middle class from the next levels in society. Another small minority from the middle class took recourse to fundamentalism in religious matters and extreme positions in political, social and economic matters. These became clutches for them in the rapidly changing world around them. Because of their education they came to firmly believe that religious, social and political fundamentalism is the only solution to the problems of society and they did not mind using violence to spread their philosophy.

This is what has gone wrong with the Indian middle class. This approach is short term and myopic. People forget that a society that has islands of prosperity in a sea of poverty is basically unstable and volatile. Migrating abroad is an option available to only very few of them. Since they have to live here, they must introspect.

First, to reiterate, there are no watertight compartments in any society, least of all in India. The middle class therefore must take an interest in social, economic and political activities. It tries to shirk this by taking an extreme position for such participation. But it is not necessary to do so and there can always be a middle course. For example, in politics it is not necessary to contest elections but the middle class should at least come out in full force to vote. The percentage of voting in well-to-do middle class localities is hardly 35 to 40 per cent while in the slum areas it is 80 per cent and above. In our political system of universal adult suffrage, it is the number that counts, and on this basis the middle class gets neglected and sidelined. It should also form interest groups and lobbies and continuously try to bring pressure on political parties. It is a long way but then unless the first step is taken one cannot start walking.

The middle class will have to be sympathetic and sensitive to society around it and wherever possible, it should form social service groups. It can also help in running NGOs that render social service including health and education or put in part-time voluntary work.

The middle class must fight corruption. It is no use saying that this does not affect one individually. It is like a cankerous amoeba that, unless checked, will one day affect everybody.

A very small group of the middle class that is now taking extreme and fundamentalist positions in religion, politics and economics will have to be isolated. These tendencies are harmful and should be curbed; otherwise the whole middle class would be identified with this group and find it difficult to cleanse its image. We should remember that the Hitler phenomenon in Germany tarnished the image of the German middle class.

There is also a misconception that the Indian middle class consists of only the so-called 'Forward Classes and Forward Castes'. This is no longer true, for the Indian middle class is present across all divisions of society. This needs to be emphasized as interested political parties otherwise try to exploit this misconception and put one group against the other in the middle class.

The middle class has a historical role to play in the social, economic and political life of the country. It did this extremely well during the pre-independence days and for almost two decades after it. But then disenchantment set in and the middle class became disinterested and even alienated from its earlier role. Worse, it gave up its traditional values of ideology, morality and social sensitivity. Worse still, it has come to believe in the current scenario of liberalization and globalization that it can afford to disregard society around it and live in a cocoon of prosperity.

But this is a short-term, self-defeating attitude. The middle class must take an interest in political matters and should be active in the social field. It must re-establish a sound ethical base in all activities and areas. Society expects much from the middle class and it cannot afford to fail, even in its own interest.

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## Epilogue – The Second Chapter in My Life

*I* HAVE A SMALL FOUR-ACRE FARM IN POONA. I DEVOTED THE WHOLE OF 1991 to its development and had to take a bank loan for it. I put up a small poultry farm and planned a number of fruit trees including coconut. In about four or five years the farm was fully established and I was able to repay the loan. I started spending a week or ten days every month at my farmhouse which gave me a good break from my very busy life in Bombay where I have my own flat.

I started writing about service and other topical matters including political developments. Many of my articles did arouse public interest and I started receiving a number of invitations to give speeches. My articles were published in two books: *A Cabinet Secretary Thinks Aloud* which deals mostly with service matters; and *A Cabinet Secretary Looks Around* which deals with politics, economics and other matters. My article written in February 1996, 'Coalition Governments – an inevitability we should accept' created much interest if not controversy, and also another article anticipating the rise of regional powers in politics. Many political leaders bluntly told me that I was making fanciful predictions. But I am happy to say that my predictions have turned out to be true.

I had some brushes with politics and on two occasions I could not accept offers, as I was not financially independent then. But my interest in politics continued even after retirement. I was sounded once or twice but then I had taken a decision not to enter into active politics. But this did not mean that I lost interest in it. I have always believed that it is the disinterest of the middle class in political matters that is primarily responsible for the deterioration of politics in India. I therefore associated myself with NGOs in this field and became chairman of AGNI (Action for Good Governance and Networking in India) and Praja. I am also chairman of the Mohalla Committee Trust dealing with communal harmony. Julio Ribeiro is another trustee.

J.R.D. Tata wanted me to join as director of Tata Sons and since there had been no message from Prime Minister Narasimha Rao, I accepted the offer and joined in January 1992. It was understood that I would not hold any executive post nor have any communication with the government. I would look after the social responsibility aspect of the house of Tatas and be allowed to carry on my social and other activities. J.R.D. Tata and later Ratan Tata fully honoured these commitments and I received nothing but kindness and courtesy from both of them. The Tatas not only have and practise a code of high ethical standards and trusteeship philosophy but also have a tradition of treating people working with them with full consideration. Actually it was this aspect that attracted me to them. I would not in fact have joined any other business house even though I was sounded by many of them.

I had an interesting experience immediately after joining the Tatas. The Government of India had decided to confer the Bharat Ratna award on J.R.D. Tata and he was accordingly sounded in early January 1992. He asked me to convey to the PMO that he was not interested. I knew JRD's sense of modesty and his reluctance to accept any government recognition. Executives at Bombay House asked me not to listen to him. I therefore spoke to Amar Nath, principal secretary to the prime minister, that if JRD was approached properly there should be no difficulty in getting his consent. The award was conferred on him on 25 January.

I started paying attention to rural development matters. I became a trustee of the Bharatiya Agro Industries Foundation (BAIF) set up by Dr Manibhai Desai. It is doing pioneering work in rural areas especially in empowering women and developing the dairy industry through upgradation of the local breed by artificial insemination. I also became a director on the board of Venkateshwara Hatcheries that has created a poultry revolution and opened another avenue for rural prosperity.

For social work in urban areas I joined the Community Aid and Sponsorship Programme (CASP), an NGO that looks after children who need help in education in particular and enrichment of community life in general.

In the medical field I became a trustee of the Sancheti Orthopaedic Hospital, Poona; and president of KEM Hospital in Poona which is doing exemplary work in making healthcare available in rural areas and to the lower middle class in Poona. Dr Banoo Coyaji is the moving spirit here.

I also joined the Population Foundation of India in New Delhi as a member of its governing board.

I took interest in art and culture and became chairman of the National Gallery of Modern Art, Bombay; president of the Asiatic Society of Bombay; chairman of the trust set up to help the JJ School of Arts in Bombay; vice-president of the Shanmukhananda Fine Arts and Sangeetha Sabha, Bombay; and a trustee of Chhatrapati Shivaji Maharaj Vastu Sangrahalaya, formerly known as the Prince of Wales Museum, Bombay.

In the area of finance, I became chairman of Times Bank and am now chairman of the IDBI Principal Mutual Fund. I became chairman of Siporex India Limited which introduced prefabricated building material in India. I am also a director at Finolex Cables Limited.

In the educational field I was associated with the setting up of the Sahayadri School near Poona which is a Krishnamurti Foundation School.

The Bombay Natural History Society is the oldest NGO in India looking after nature conservation and the late Dr Salim Ali was one of its distinguished presidents. After he passed away the society went through a bad patch and I was requested to take over as president. I am very happy that I could bring it back to its premier position in the field. The Government of India also asked me to be chairman of the committee to finalize a national wildlife action plan.

Since Poona is my hometown I took special interest in its development. The western bypass on the Poona-Bangalore road was held up at Pashan as the defence ministry had not cleared the through passage. I had visited the place as cabinet secretary and obtained clearance for it. In 1991–92 I formed a task force for development of Poona as a software centre, the forerunner for further development of software parks and software export activity in the city. Shaniwarwada was the residential palace and office complex of the Peshwas who ruled the Maratha empire. I spearheaded an action group for improving the environment of the monument and also started the annual Shaniwarwada festival. Poona did not have its own civil airport but had to depend on the air force facilities. This has always affected the city's development. I presented the proposal to have a separate civil airport for it. The government accepted the initiative.

I am chairman of the Tata Council for Community Initiatives which was set up to synergize social responsibility activities of the various Tata

companies. I also became chairman of the governing board (chancellor) of the Tata Institute of Social Sciences (deemed university), a premier academic institution in this field.

It is where I am today.



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